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*PUBLIC DISTRIBUTION SYSTEM
: ROLE OF GAON PANCHAYAT
LEVEL SAMABAY SAMITIES -
A CASE STUDY IN SONITPUR
DISTRICT OF ASSAM*

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Dt. 2.4.94.

I have the pleasure in Certifying that the research work embodied in this Report entitled "Public Distribution System : Role of Gaon Panchayat Level Samabay Samittees - A Case Study in Sonitpur District of Assam." was carried out by Sri Prasanta Kumar Das under my supervision and that the work is original and bonafide. The report or part thereof has not been submitted to any institution under any programme.

H.C. Gautam

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PREFACE

The concept of Co-operative is as old as human civilization. It is based on the concept of natural aid, collaborative action and joint effort to live happily. It has taken a form of movement later on to bring socio-economic change in rural life. Gaon Panchayat Level Samabay Samities popularly known as GPSS are basically multipurpose Consumer Co-operative Societies introduced with State sponsorship in the village to make a socio-economic changes there in. But the role of co-operative as purveyors of agricultural technology and the marketing services has so far remained marginal. On the other hand activities under the Co-operativised Public Distribution System have become dominant over other primary functions of the GPSS.

The present study is an attempt to look into different aspects of PDS maintained by the GPSS in Tezpur sub-division of Sonitpur District. The study is based on primary data collected from the villages as well as published and unpublished official data.

Embracing all possible ^{aspects} of rural life the GPSS are to act as innovative base for effective development of rural people. Any massive programme of development of

rural sector, undoubtedly is a sensible course to adopt in Assam. And having been fortunate to observe the working of a few such societies that I came into contact it attached my pointed attention. This was my source of inspiration to feel that it is hightime that a thorough investigation and indepth ~~concepted~~ academic study is made to identify the hindrances in the healthy and all round growth of co-operatives to fulfill its objectives as a socio-economic institution and to offer pragmatic solution to remove these obstacles. Thus this consideration of the utility of the study acted as a guiding force in determining the field of ^{enquiry} ~~inquiring~~ into co-operative activities.

I am very much thankful to the Institute of Social Change and Development (ISCD) which has awarded me Junior Short Term Fellowship (JSTF) as Rajib Gandhi Scholar for the present study. I am also thankful to Dr. A.C.Bhagawati, former Director of ISCD, Dr. D.D. Mali, Director of NISIET and Dr. T.R. Das, Lecturer ^{in the} of Institute of Co-operative Management, Assam, for their valuable suggestions in course of my study.

I express my deep sense of gratitude to my guide Dr. Hemchandra Gautam, Lecturer, Department of Commerce, Gauhati University, whose guidance has made the study a success.

I am also thankful to the Officers and Staff of the Office of the ISCD, Registrar of Co-operative Societies, Assam, Assistant Registrar of Co-operative Societies, Tezpur, Institute of Co-operative Management, Assam, Directorate of Food and Civil Supplies, Assam, Deputy Director of Food and Civil Supplies, Tezpur, STATFED, Head Quarter Assam, STATFED, Tezpur branch, Secretaries and Chairman of GPSS of the study area for their kind help in the supply of information and official data.

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CHAPTER I

INTRODUCTORY :

The concept of welfare State has given rise to another concept 'State Liability'. The State and so the Government of a welfare State is expected to perform some socially desirable functions, especially when a country is backward and most of its people are poor. India is ^a welfare State and her constitution has specially directed the constituent States through the Directive Principles of State Policy to ensure social and economic justice to the people of India. Public Distribution System (PDS) has been introduced as one of the measures towards this end.

The main objectives of the PDS are to ensure availability of food grains and other essential commodities of daily use at reasonable prices, to check hoarding and black marketing of essential commodities.

Rationale of PDS :

The PDS continues to be a major component of our strategy for growth with social justice and progressive improvement in the standards of living of our people, particularly those belonging to the weaker and vulnerable sections of the society. The effort has been to ensure availability of essential commodities to the people at reasonable prices.

Envisaged as an anti-inflationary programme, when there is scarcity of such commodities and the prices of such commodities rise and at the same time, when the free market mechanism fails to satisfy the requirements of the poorer sections of the community, then there is the need of a PDS to stabilize the open market prices by releasing supplies of essential commodities through PDS. Through decades, this has been a regular feature. And thus, it has emerged as a permanent feature of our strategy to control prices, reduce fluctuations and achieve equitable distribution of essential commodities.

In a developing economy like that of India it is necessary to realise that poverty can be eliminated only if the real per capita income of the poor people is increased and maintained above the poverty line on a self-sustaining basis. Mere increase of per capita money income cannot guarantee and improve the level of living unless the purchasing power of money is protected from being eroded by inflation, especially the rising prices of basic consumer goods. PDS helps the poor people from the inflationary impact in food prices because it is the poor who spend more than 80 percent of the consumption expenditure on food items. This is the rationale of PDS and cheap food policy of the Government.

Importance of the study :

Apparently the GPSS are facing financial loss but we

cannot discount the fact that these societies have been playing the most important role in ^{the} ~~our~~ PDS. The societies are nearest to the common people and are formed by themselves. There exists a state of inter-dependency between the society on the one hand and the people on the other. Even then, there are cases of financial loss, maldistribution of commodities, unreasonable prices and low quantity etc.

'Co-operative' being the backbone of PDS both in Urban and Rural areas grew up considerably over the successive Five Year Plans and ^{had} demonstrated by their performance that given proper help and encouragement they can play a vital role in the distributive ^{on} system in the country.

PDS is a ^s multidimensional concept having its implication to bring social and economic justice and improvement in the level of living of the people, supply of essential commodities and their control over prices, political and economic commitment of the Government and above all eradication of poverty. Having being conceived ^{of} the intricacy of the PDS network and the problem associated with it, the present study have ^{been} conducted in the District of Sonitpur, which is an under developed district in the backward region in the State of Assam.

3.1.0. Objectives of the study :
The specific objectives of the study are:

3.1.1. to critically evaluate the existing system of Public distribution network in the study area;

3.1.2. to examine the rationale and working of GPSS so far as the PDS is concerned;

3.1.3. to examine the effectiveness of GPSS in the procurement and distribution of essential commodities for PDS purpose, and;

3.1.4. to examine whether the benefits of PDS have been received by the target group and to assess the benefits in terms of its sustenance.

3.2.0. Hypotheses of the Study:
The following hypotheses are postulated keeping in view the above objectives;

3.2.1. that the present PDS network is well managed and administered through GPSS;

3.2.2. that the benefits of PDS are reaped by the target of the people to their maximum satisfaction; and,

3.2.3. that there is no need to change and modify

the coverage in terms of commodities and population under the PDS.

Study area, Sample Size and Methodology:

Originally it was proposed to take the entire district of Sonitpur for the study. But due to time constraint we ^{confine our study} had to limit ourselves within Tezpur Sub-division of the district. There are 42 GPSS in the district of which 29 are in the Tezpur sub-division. Of these, 16 GPSSs have been chosen at random as sample for the study. Out of the 16 GPSSs, 6 GPSSs are selected from the Tribal Sub-plan (TSP) areas and the remaining 10 GPSSs are from General areas. Thus, the sample size represents 38 percent of the district and 55 percent of the sub-division. ^{to claim} As such it may be justified that the sample is a representative one.

Methodology:

The study is based on primary as well as secondary data collected from the field surveys and official records ^{respectively}. In order to make the study more intensive and extensive, interviews ^{we} were conducted with the Secretaries and Presidents of the GPSSs, the Agents under the GPSSs, the Consumers of the PDS items and other elite persons of the villages. Structured schedules ^{we} are prepared for this purpose, personal observation and cross section interviews ^{we} are undertaken. The secondary data are collected from the GPSS, STATFED, F.C.I., Department of Food and Civil Sup-

plies and from other related institutions and organisations.

Particulars of the sample GPSSs, villages covered, numbers of families and population are given below in Table-I.

TABLE - I

PARTICULARS OF THE SAMPLE GPSS

SL. NO.	Name of the GPSS.	No of Villages covered	No of Families	Population
1.	2.	3.	4.	5.
1.	Sirajuli	39	5,144	38,398
2.	Bhairabpad	19	5,651	43,379
3.	Panbari	21	4,577	26,722
4.	Mijibari	26	5,417	31,294
5.	Belsiri	36	4,041	28,666
6.	Doomdooma	30	5,242	32,821
7.	Barbhogia Borchola	28	4,046	31,981
8.	Singri	36	4,711	37,807
9.	Borgaon	32	4,978	35,957
10.	Naharbari	38	4,715	31,383
11.	Rangapara	21	8,712	57,229
12.	Bahbari	37	4,555	29,715
13.	Bihaguri	29	3,758	25,822
14.	Halleswar	28	3,789	28,682
15.	Missamari	24	3,683	27,358
16.	Chamdihara	16	4,198	29,847
	TOTAL	450	77,217	5,37,061

Source : 'Sample Survey'

CHAPTER II

SOCIO-ECONOMIC PROFILE OF STUDY REGION

A. Profile of study Region:

The study ^{was} ~~is~~ carried over ⁱⁿ ~~the~~ Tezpur sub-division in the district of Sonitpur in Assam. The district has two sub-divisions, namely Tezpur and Biswanath. The district is bounded by Kameng district of Arunachal on the north, the mighty Bramhaputra on the south, Lakhimpur district on the east and Darrang district on the west. It is located between $92^{\circ}19'$ and $93^{\circ}47'$ east longitude and $26^{\circ}28'$ and $27^{\circ}08'$ north latitude. The area of Sonitpur district is 5324 square kilometer which accounts for about 6.8 percent of total Geographical area of the State. The district comprises of seven revenue circles, eleven Police stations, ten Development Blocks. There are altogether 1334 villages and only four towns in this district, out of which Tezpur and Dhekiajuli towns are administered under municipalities and the rest two towns namely Rangapara and Biswanath Chariali are under the purview of town committee.

Topography :

The region slopes towards south. It is an alluvial plain mainly made up of new and old alluvial deposited by the Bramhaputra and its tributaries. There are mainly three

physiographic zones. The strip in the north of the district is covered mostly with forest, the middle one is highland mainly covered with Tea gardens and the extreme southern strip comprises ~~of~~ low lying agricultural plots ^{and} is rich in paddy cultivation. 'Ahu' and 'Bao' paddy are cultivated here in large scale. The area is most densely populated. The zone is also famous for grazing grounds for milch, cows and buffaloes.

Natural Resources:

The hillocks and ridges, rivers and rivulets, arts and architecture lying all around the district have contributed a lot in the natural panorama of the State. With these numerous monuments and attractive landscape the district can be considered as a tourist paradise and rightly claim a place of pride in the tourist map of the State. The rivers and rivulets like Hawajan, Burai, Borgang, Dekarai, Ghiladhari, Bharali, Gabharu, Belsiri and Panchnoi flows silently through the district. The rivers coming down the northern hills finally embraces the mighty Brahmaputra. The Kalia Bhomara bridge standing on the river Brahmaputra is one of the notable architectures of the district. It plays a tremendous role in providing communicational linkage between different counterparts.

Climate and Rainfall:

Climate and rainfall are two important factors that influence the development of a region to a great extent. Capac-

ity to work, life expectancy of people, agricultural production, road transportation etc. are greatly influenced by the variation in climate and rainfall.

The district experienced maximum temperature varying from 35 c to 36 c during May and June while minimum temperature is experienced in January which falls nearly to 7 c or so. Monsoon advances with the beginning of the month of March, then continues with heavy showers reaches its peak in June and July and lasts up to September. The average monthly rainfall in this district varies from 4.2 mm to 239.9 mm during the year 1992. The maximum rainfall during the year was 239.9 mm in June, 1992 and minimum was 4.2 mm in January, 1992. Total rainfall in the year 1992 was 886.9 mm. Successive waves of ~~divesting~~ ^{devastating} floods, as well as draught condition created a major setback in agricultural production. During February to April relative humidity of the district is found to be comparatively less while the same is high during the rest of the seasons, which generally varies from 51 to 83 percent.

Demographic Feature:

Economic Development: of a nation largely depends upon the size of the population and the quality and quantity of working force she possesses. It is worthwhile to give a brief description of the population compositions, state of employment and skill formation of the people in the study

area.

According to 1991 census, the population of the district ^{is} 14,24,287 i.e. 8.4 percent of the state population. The rural population of this district is 13,20,379 while the urban population is 1,03,908. This shows that 92.7 percent of the total population resides in rural sector while the rest 7.3 percent ^{is} ⁱⁿ inhabitant of urban locality. The density of population was 267.5 person per square kilometer as against the state average of 284.

SC/ST Population:

An important aspect of population composition in the district is the presence of a ^{sizeable} ~~seizable~~ portion of SC and ST population. Of the total population SCs accounted for 5.68 percent and STs accounted for 10.7 percent in the district. An important features of ST population is that they are mostly tradition bound and cannot be motivated easily. The literacy rate is very low among them. The principal source of livelihood of both the groups is cultivation, though a sizeable portion of SC population is living on fishing. Both the groups are socio-economically backward and are considered the weaker sections of the society. The Govt has taken various steps for their socio-economic development, i.e. fixation of quotas in educational institution, in recruitment of Govt services, in providing subsidised assistance under I.R.D.P., N.R.E.P., I.T.D.P., R.P.D.S. etc.

Sex Ratio:

Sex ratio has an important bearing on the earning of income in our society. In particular, our agricultural economy is indirectly influenced by this ratio where a female has very limited scope of work in open-field agricultural activities. By tradition, services rendered by female member of the family either in the field or domestic affairs are left outside the purview of money measurement. And Hence, their services are not quantified in money terms.

In spite of a modest sex ratio, 912 female per thousand of male population in the district (922.6 in the state) the role of women is mostly ^{confined} ~~continued~~ to household activities. They are not explicitly made to participate in developmental activities in rural areas. Cultural bindings, religious imposition, illiteracy are some of the constraints that have confronted the integration of women into technology transfer programmes for rural development.

Occupational Structure:

Economic study of any region will be partial without reference to the occupational structure of the people living there. Main objective of all economic activities ^{are} ~~is~~ centered around the livelihood of mankind. These economic activities are termed as occupations. Therefore, occupational structure is closely related with the devel-

opment of an economy. Table-II, exhibits the occupational structure or distribution of working population by occupations in the study area.

TABLE - II

DISTRIBUTION OF WORKING POPULATION BY OCCUPATION
(In P.C. of total working population in Rural areas.)

SL. NO.	OCCUPATION	SONITPUR	
		TOTAL	P. C.
1.	2.	3.	4.
1.	Total population :-	13,20,379	92.70
2.	Cultivators :-	2,38,277	18.04
3.	Workers: Livestock, Forestry, etc.	92,547	7.00
4.	Workers: Mining & Quarrying	74	0.01
5.	Workers: Household Industry	2,109	0.15
6.	Workers: Other than Household Industry.	8,347	0.63
7.	Construction Workers	3,520	0.26
8.	Trade and Commerce Workers	17,157	1.29
9.	Transport, Storage and Communication Workers.	4,451	0.33
10.	Agricultural Labourers	57,717	4.37
11.	Workers in other service	45,708	3.46
12.	Marginal Workers	70,264	5.32
13.	Non Workers	7,80,208	59.08
14.	P. C. of Total Workers to Total population.	—	32.99
15.	P. C. of Rural Workers to Rural population.	—	35.58
16.	P. C. of Urban Workers to Urban population.	—	31.29

Source : Primary Census Abstract, 1991.

Agriculture:

Agriculture is the most predominant sector in augmenting the State economy. It yields more than 40 percent of revenue to the State ^{Govt} ~~By~~ and contribute a lot in earning a sizeable amount of foreign exchange. In Sonitpur district approximately 64 percent of the total population are directly or indirectly linked with agricultural activities and 25 percent in gainful activities.

Major crop and High Yielding Varieties:

The major crop under the district are winter paddy, Autumn paddy, Rape and Mustard, Wheat, Potato, and Sugarcane. It is remarkable that in the year 1991-92 rice alone covered nearly 66 percent of total gross cropped area of the district. The principal high yielding varieties of paddy cultivated in this district are culture-1, Mahasuri etc. It is pertinent to note that during the year 1990-91, a total area of 19,414 hectares and 66,017 hectares were covered under high yielding varieties of Ahu and Sali paddy respectively. The area thus covered significantly increased to 26,750 hectares under high yielding varieties of Ahu crop and 72,020 hectares under Sali paddy in 1991-92. The area covered by improved varieties of Wheat, Rape and Mustard also increased from 3405 hectares in 1990-91 to 3680 hectares in 1991-92 and 14,879 hectares in 1990-91 to 21,800 hectares in 1991-92 respectively.

Geographical and Cultivated Areas:

The gross cropped area under the district is 2,22,216 hectares while the area sown more than once was 72,623 hectares. Thus the net cropped area results ^{to} ^{was} to 1,49,593 hectares. The cropping intensity during the year 1990-91 was 147.8 percent which has been increased to the level of 149 percent in the subsequent year. i.e. 1991-92. The following Table-III, will reflect the trend of Area, production and yield rate under different crops during the last three years.

Transport and Communication:

Lack of the adequate transportation facilities is one of the reasons ^{the} for major set back in the economic development of the district. Keeping this in view, this sector deserves immediate special attention. For flung corners of most of the rural areas are still beyond the reach of modern communication net-work. The total road length of this district is 1832 km. out of which 514 km. are surfaced and 318 km. are unsurfaced. Tezpur, the district headquarter has a better communication linkage with different parts of the State as well as the country through land, water and air. It is connected with Calcutta by air (Bowing service) via, Jorhat and Guwahati. So far as road link is concerned, the district is well connected with all the district of the State. There is also a direct road link with Guwahati via, Mangoldai, the headquarter of

Darrang district and via., Nowgong, the headquarter of Nowgong district. Besides this the district is well connected with Dibrugarh via. Nowgong and Jorhat. The Kalia Bhomora bridge on ^{the} mighty Brahmaputra also satisfy the long felt need of communication linkage between different counterparts specially with North Eastern States. Tezpur, has also a railway link with Guwahati via. Rangapara, another town of the district. Besides this, it has a link with Morkokseleng of Arunachal Pradesh via. Lakhimpur. The district has 217 km. of railway lines. There was waterways under Inland Water Corporation Service routes at Panpur and Singri. The total number of motor vehicles, ^{plying} on the roads of the district was 11,264 in 1990 of which only 1324 number of vehicles were registered up to the end of that year.

TABLE - III

AREA PRODUCTION AND YIELD RATE OF MAJOR CROPS UNDER THE DISTRICT

ITEM	1990 - 91			1991 - 92			1992 - 93		
	Area (Hect)	Production (MT)	Average Yield (Kg/Hect)	Area (Hect)	Production (MT)	Average Yield (Kg/Hect)	Area (Hect)	Production (MT)	Average Yield (Kg/Hect)
1	2	3	4	5	6	7	8	9	10
Autumn Paddy	27,500	20,823	1,209	32,750	20,641	641	33,192	22,757	697
Winter Paddy	1,12,637	1,51,820	1,368	1,11,887	1,54,450	1,401	1,01,907	1,09,460	1,090
Summer Paddy	2,500	2,645	1,058	2,103	2,827	1,345	2,235	3,002	1,343
Wheat	3,405	3,703	1,088	3,175	4,599	1,448	3,200	3,672	1,147
Rape & Mustard	12,375	6,085	492	17,525	6,797	300	—	—	566
Potato	4,850	35,113	7,240	4,662	35,818	7,683	4,974	31,265	6,286
Sugarcane	1,268	42,202	33,282	1,138	39,200	34,446	1,146	39,612	34,565

Note : Average Yield and Production of Sugarcane in terms of Cane.

Labour and Employment:

Unemployment has become a burning question in the present day. The overall employment situation in this district ^S have been found to ^{have} decreased from 89911 at the end of March '90 to 88062 at the end of March '91. This downward trend is mainly due to seasonal decrease of labour force specially in the tea estates located within the district. The total employment in public sector increases to 21653 in the year 1991 as against 20093 in March '90. However employment in the private sector decreased to 66409 number of persons at the end of March '91 as against 68818 in the previous year. Besides this, altogether 33407 numbers of women were ^{un} employed in the district upto the end of March '91 as against 33287 numbers in the previous year. Altogether 580 members of Scheduled Caste (SC) and 566 members of Scheduled Tribe (ST) applicants registered their names in employment exchange in the district in the year 1991 ^{as} against 733 numbers and 966 numbers of applicants respectively in the year 1990 of which 21 number ^{were} of SC and 13 ^{were} ST candidates got employment ^{as} by on March '91 as against 25 and 18 numbers respectively in the previous year.

The total number of job seekers in the live register was 58,834 as on March '91 as against 53,791 as on March '90. A total of 2947 applicants were women candidates during the same year (1991). Altogether 160 vacancies have

been filled up in the year 1991 through employment exchange as against 206 numbers in 1990. The unskilled applicants without any vocational training, fresh graduates, pre-university and H.S.L.C. passed applicants were found to be alarmingly surplus in the district.

Co-operation:

It plays a very tremendous role in our economic development. There ^{were} ~~are~~ altogether 291 numbers of co-operative societies in this district in 1989-90, which gradually increased to 325 in 1990-91 and attained ~~to~~ the level of 342 numbers in 1991-92. Thus, the remarkable growth of co-operative societies during the last three years is very much encouraging. It is gratifying to note that the flow of membership also maintained an increasing trend from 1.92 lakhs in 1989-90 to 1.98 lakhs in 1990-91 and 2.04 lakhs in 1991-92. The share capital under these societies also increased significantly from 1.13 crores in 1989-90 to 1.19 crores in 1990-91 and finally to 1.20 crores in 1991-92.

Procurement and Distribution of Foodstuff:

The arduous task of procurement of paddy has been entrusted with both the Assam State Co-operative Marketing and Consumers Federation (STATFED) and the Food Corporation of India. It has been gathered that during the year 1991-92, F.C.I. under the district made procurement of 4635.96 quintals of rice against 4989.70 quintals in 1990-91.

However, no procurement was made by STATFED during the years 1990-91 and 1991-92.

B. PROFILE OF SAMPLE GPSS.

The study area covers 16 GPSSs in Tezpur sub-division. Of these, 10 from general areas and 6 from Tribal Sub-plan (TSP) areas have been selected. The population of these sample GPSSs is 5,37,061 of which 32,4,112 are adults and 2,12,994 are minors. The total number of families in the sample GPSSs is 77217 of which 61,109 families have taken the membership of the concerned societies. This means 22 percent of the total families are still untouched by the co-operative movement.

The GPSSs are multipurpose societies. They provide Mid-Term (MT) and Short Term (ST) loans and sell consumer^{goods} and Agricultural inputs to the members only. The total loan (ST and MT) provided by the sample GPSSs for six months period from 1.4.93. to 30.9.93. amounts to Rs. 2,34,188. On the other hand total ^{sale} of consumer goods, which constitute PDS commodities only, amounts to Rs. 1,37,04,356. This signifies that almost 97.7 percent (1) of the total turnover is related to the PDS commodities.

Sale of PDS items X 100

(1)
$$\frac{\text{Total Loan issued} + \text{Sale of agricultural inputs} + \text{Sale of PDS items.}}{\text{Sale of PDS items} \times 100}$$

The working capital turnover (2) is calculated at only 3 percent on annualised basis. Which is very low from the profitability point of view. Again the very low margin on PDS items allowed by the Government has shaken the viability of the GPSSs.

So far as the PDS is concerned, the GPSS are the most ideal agencies as it covers most of the people of villages. Therefore, they cannot ignore the PDS transaction. But the observations on the activities of some GPSSs have revealed that the w.c. base is very weak for which reason the sub-agents of the GPSS are directly engaged in PDS net-work. The share capital of the GPSSs amounts to Rs. 27,28,625 of which Rs. 19,69,559 i.e. 72 percent is provided by the Government. With only 28 percent owned capital, the members of the societies practically do not get any interest in the activities of the societies, except to get the subsidised PDS items. It has been observed that the GPSSs have become a play ground of some village elites and village politicians. These people, it is observed have transformed the GPSSs to the platform for political rise.

The poor working capital base is also a result of financial mis-management. The secretaries are not well acquainted with financial intricacies and in some cases

Total Turnover

(2) Working Capital Turnover : $\frac{\text{Total Turnover}}{\text{Working Capital}}$

they are directly found indulging in fraudulent manipulation of accounts. The secretary of Naharbari GPSS is currently under suspension for this reason.

The operating result of all the societies taken together is most unimpressive. Only 5 out of 16 societies have earned a total profit of Rs. 1,29,155 and 11 societies have incurred a total loss of Rs. 29,60,724 during the period from April' 93 to Sept' 93 as shown in Table-IV,

TABLE - IV,

PROGRESS AND PERFORMANCE REPORT OF SAMPLE
GPSS FOR SIX MONTHS PERIOD FROM 01.04.93 TO 30.09.93 .

SL. NO.	Particulars	29 GPSS In Sub-Division	16 Sample GPSS
1.	2.	3.	4.
1.	No. of Villages Covered	1,045	501
2.	No. of Members : a. Nominal : b. Regular : (i) SC : 9,177 (ii) ST : 16,567 (iii) Gen: 74,702 c. Total :	8,476 1,00,446 1,08,922	3,045 58,064 61,109
3.	Share Capital : a. Government : Rs. b. Own : Rs. c. Total : Rs.	32,92,559 13,98,102 46,90,661	19,69,559 7,59,066 27,28,625
4.	Net working capital : Rs.	1,71,19,377	92,56,580
5.	Loan issued during the period a. Short term : Rs. b. Middle Term: Rs.	2,77,676 2,12,663	1,23,850 1,10,338
6.	Loan outstanding upto 30.9.93 including interest. a. Short Term : Rs. b. Middle Term: Rs.	46,03,518 9,97,039	24,80,327 3,36,390
7.	Sales Turnover upto 30.09.93 a. Consumer goods : Rs. b. Fertilizer : Rs. c. Seeds : Rs. d. Pesticidies : Rs. e. Agricultural impliments. : Rs.	2,34,44,687 1,86,849 13,220 316 1,331	1,37,04,356 61,200 12,365 1,292
8.	Accumulated profit and loss at the end of Sept.'93 a. Profit : Rs. b. Loss : Rs. c. Adjusted loss : Rs.	2,47,829 51,51,220 49,03,391	1,29,155 29,60,724 28,31,569
9.	No. of Employees	129	74

Source : Quarterly Reporting Card as on 30.06.93 and 30.09.93
 Deputy Registrar of Co-operatives, Tezpur, Sonitpur, ASSAM.

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CHAPTER-III

Evolution of PDS :

During the World War-II, normal flow of food stuff besides other essential commodities was affected due to restrictions imposed to facilitate regular supply to defense personnel in the War front. The civilians ^{had to} ~~were~~ ^{face the problems of} put into difficult situation of scarcity and high prices.

In 1942, Food Grain Control Order was promulgated mainly to give relief to the affected people. Rationing was introduced through Fair Price Shops with the main objectives of equitable distribution of available food grains. This is the beginning of PDS in our country.

In the initial stages, the PDS has been presented in to Off and On operation. Dependence upon the stock of food grains under PL-480 programme compelled the Government to evolve a permanent system of steady outlet for distribution. The step for partial State trading was executed only after the acute food shortage in the early 60's.

The Agricultural Price Commission was instituted in 1966 to evolve statutory minimum support prices for agricultural commodities. The Food Corporation of India (F.C.I.) was set up in 1965 as the agency for procurement, import, distribution, storage movement and sale of food

grains. Subsequently the state government Food and Civil Supplies Departments and cooperative organisations were authorised to procure the marketed supplies surplus.

The PDS especially for food grains came in the wake of world wide inflation in 1974 from which the Indian too could not be escaped. To solve the problem Department of Food and Civil Supplies and Co-operatives were re-organised in October, 1974 to involve Co-operatives more actively, in the PDS. Even the Planning Commission incorporated in the Draft of Fifth Five Year Plan, a policy of dual pricing in respect of certain mass consumption goods like food grains, sugar, cloth and edible oils for public distribution system.

Commodity Coverage and Operation:

The Central Government has assumed responsibility for the procurement and supply of six key essential commodities, viz. Wheat, Rice, Levy Sugar, Imported Edible Oil, Kerosene and soft cake to the State Governments and Union Territories (U.T). The commodities are made available at fixed central issue prices which are determined by the Central Government. The State Governments and U.Ts. are free to add on their own more items for distributions through the PDS outlets. The allocation of PDS items made by the Central Government is supplemental in nature and not intended to meet the entire requirements of the State

Governments and U.Ts.

For effective functioning of the PDS, it would become necessary to revamp and strengthen existing infra-structural support system to cover all areas in the country. Particularly the backward, remote and inaccessible areas.

It has been seen that the operational success of the PDS and ^{the} strategy to achieve it, will depend on the nature of market environment, in which the system shall operate and the degree to which the decision makers are able to perceive and link the role of the PDS to the existing market mechanism in the State.

PDS IN ASSAM:

Assam is a deficit state in production of most of the essential commodities and therefore dependent largely on sources located outside the State for supply of those items. According to State Agriculture Department sources, the production of rice during 1992-93 was anticipated to be 33,68,000 metric tonnes as against the production of 31,77,000 metric tonnes in 1991-92. The production of rice in the year 1989-90 was 27,95,000 metric tonnes and in 1990-91 it was 32,70,000 metric tonnes.

The area under rice cultivation also increased from 24.72 lakh hectares in 1989-90 to 25.89 lakh hectares in 1992-93. The target for the production of rice for the

year 1993-94 has been fixed at 36.36 lakh metric tonne and the area under cultivation is also proposed to be increased to 26.34 lakh hectares. Besides all this, the State requires an ~~additional~~ 64000 metric tonne of rice per month to maintain regular supply and price of rice for both PDS and open market.

The State requires about 5 lakh metric tonnes of wheat every year, the State has so far achieved a target of producing only a little over one lakh metric tonne per year. According to the State Agricultural Department, the production of wheat in the year 19⁹²-93 is expected to be 1.25 lakh metric tonnes. The production of wheat in 1989-90 was 88,000 metric tonnes in 1990-91, it was 1.05 metric tonnes, in 1991-92 the production was 1.11 lakh metric tonnes. Production target for the current year is 1.31 lakh tonnes.

Since the ^{is} substantial portion of the commodities ^{are} imported from other States incurring heavy transportation charges, the prices of these commodities are very high and the Govt is to subsidise heavily on these items. If the commodities can be produced within the State, this will save the ^{cost of} transportation and Government subsidies.

Agricultural Department sources has disclosed that in order to boost up production of rice an integrated programme for rice development under ^a centrally sponsored scheme has been undertaken. The highlights of this scheme

include, distribution of bullock drawn agricultural implements at 50 percent subsidy, distribution of power tiller at subsidised rate, organisation of field demonstration, 25 percent subsidy on pesticides, distribution of plant protection equipment at subsidised rate, distribution of seeds at subsidised rate etc.

It is noteworthy that 'Green Revolution' was more or less confined to the wheat growing areas and those States which enjoyed better irrigational facilities. If we ~~call the above centrally sponsored agricultural development as new form of green revolution, there is something to be examined.~~ The benefits of green revolution of 1960's did not percolate down to the poor peasants on the one hand and it practically did not spread over to the Eastern and North Eastern Region. Therefore, some special motivational programmes for commercial cropping and to increase cropping intensity should be taken.

Under the depressed phase of productive scenario, the procurement of foodgrain has already declined to a great extent in the last few years as shown in the Table : V. This has brought about a new wave of uncertainty in the food security system of the country. In a situation of this kind even a mild draught or a crop damage by floods will necessitate a large scale food imports. The official circles now confess that the PDS cannot be maintained at the present level of operation without augment-

ing the stock of food grains either through more imports or through commercial purchases in domestic market at the prevailing prices.

TABLE-V
PROCUREMENT OF RICE IN ASSAM

Year	Name of Agency	Item	Quantity procured (in Tonne)	Total (in Tonne)
1	2	3	4	5
1990-91	F.C.I.	Common Rice	5326.279	5754.825
		Fine Rice	81.000	
		Super Fine Rice	347.543	
	STATFED	—	Nil	Nil
1991-92	F.C.I.	Common Rice	4395.993	5755.129
		Fine Rice	28.685	
		Super Fine Rice	1330.451	
	STATFED	—	Nil	Nil
1992-93	F.C.I.	Common Rice	7943.552	8581.208
		Fine Rice	57.435	
		Super Fine Rice	580.721	
	STATFED	—	Nil	Nil

Source : The F.C.I. Assam Region.
Kharif Plan For 1993 -94

The PDS and import of foodgrains which were employed as a temporary proxy to the attainment of self-sufficiency seems to have become a permanent feature of our food economy.

In the present inflationary situation and scarcity prone economy of the country, a little shortfall in production leads to disproportionate variation in supply, distribution and prices. The unscrupulous traders take full advantage of this situation and exploit the consumers as they like. The PDS got a new impetus by its inclusion in the 20-point programme. It is to be admitted that because of the democratic character and service oriented role, the co-operatives are considered as the only reliable agency for the successful implementation of the PDS. There are other reasons why the PDS net-work in rural areas is handed over to Gaon Panchayat level co-operatives. The principal is the people's involvement in these societies and that these are sponsored by the Government. It has been found that 80 percent of the rural people are the members of the GPSS.

Distribution Net-work of PDS Items:

Speaking on the present infrastructural net-work of PDS in Assam, it may be stated that the entire state of Assam, is well covered by a PDS. Co-operatives are a major part of the system of PDS. The co-operatives in Assam have provided a structure for PDS, but the policy decision regard-

ing matters, like issue of commodities to whole~sellers and retail ^{ers} ^{and the} ~~sellers~~ quantum of allocation are decided by the State Food and Civil Supplies Department.

The PDS has been introduced in the state since ^{is} August 15, 1975. At present essential commodities are distributed through 703 GPSS and 24,274 Fair Price Shops (F.P.Shops) in rural areas of the plain districts. In the hill districts the system is run by 39 LAMPS through the 326 retail outlets. The PDS in the urban and semi-urban areas of Assam is maintained through 35 wholesale consumers co-operative, with 12 department and 3328 F.P.Shops, 412 Primary Consumer Stores with 90 branches and 121 F.P.Shops, 958 school and 21 college co-operatives. In addition to this STATFED have also ^{is} ^{been} maintaining 134 retail outlets in urban and semi-urban areas in the State. For the supply of essential food commodities, the student hostels and boarding houses are tagged with wholesale co-operatives ~~societies~~ for their supply.

The GPSS/LAMPS in the rural areas and the whole-sale co-operatives in urban areas draw rice and levy sugar from the F.C.I. from their local points in each sub-division as per sub allocation made by local Food and Civil Supply Officers under the overall allocation made for each sub-division by the State Government. The State's requirement of wheat received from the Government of India is sub-allocated by the State Directorate of Food and Civil Supplies to the Roller Flour Mills and Atta Chakki Mills.

The PDS draws wheat products from the Roller Flour Mills and Chakki Mills at a price fixed by the State Government. The required salt for PDS is collected from STATFED who import the entire zonal quota for salt for the State as per State Government nomination.

The State quota of imported edible oil is lifted by the National Co-operative Consumers Federation (NCCF), wholesale consumer stores and other private parties, which is sub-allocated to the agents of GPSS and F.P.Shops by the local supply officers. The State quota of controlled cloth are imported by ARTFED and distributed through Co-operative retail outlets in rural and F.P.Shops in urban areas at the ratio of 80:20. The quota of Kerosene Oil is drawn from the agents and depot of Indian Oil Corporation (I.O.C.) and distributed through co-operative retail outlets and F.P.Shops.

Physical Achievement of PDS items:

The PDS network is quite extensive in Assam and covers almost all the areas with 27602 F.P.shops/Retail outlets. The approximate requirement of PDS items per month and actual allocation from Govt. of India is depicted in Table-VI.

The main items of PDS namely, rice, wheat and sugar are made available by F.C.I. Their sound performance

in this respect can only help in ^{the} smooth functioning of the system: Table-VII, depicts that F.C.I.'s performance in respect of making available of the same is not satisfactory. The F.C.I. has failed to supply even this reduced allotted quantities at time due to non-maintenance of required stock in their different depots within the State.

TABLE - VI

THE ACTUAL REQUIREMENT AND ALLOCATION OF PDS ITEMS PER MONTH
IN ASSAM

SL. NO.	Items	Monthly Requirement (in MT)	Actual Allocation (in MT)
1.	2.	3.	4.
i.	Rice	64,000	38,370
ii.	Wheat	42,000	20,000
iii.	Sugar	10,565	10,144
iv.	Salt	2,00,000	1,88,000
v.	Kerosene Oil	25,000	20,913

Source : A brief write-up on PDS Directorate of Food and Civil Supplies, Guwahati - 5

TABLE - VII
ALLOTMENT AND RELEASE OF RICE, SUGAR, WHEAT FOR PDS
DURING 1993-94 UPTO JAN. '94 IN ASSAM

Month & Year	Allotment (in MT)			Release (in MT)		
	Wheat	Rice	Sugar	Wheat	Rice	Sugar
1	2	3	4	5	6	7
April '93	20,000	38,400	N.A.	20,297	29,580	N.A.
May '93	20,000	38,400	N.A.	18,560	34,765	N.A.
June '93	20,000	38,420	10,047	19,776	38,478	9,379
July '93	20,000	38,420	10,096	19,953	34,918	9,040
Aug. '93	20,000	38,400	10,096	17,743	33,523	6,368
Sept. '93	25,000	48,400	10,096	23,118	31,186	9,420
Oct. '93	25,000	48,000	11,092	22,290	34,404	8,806
Nov. '93	25,000	48,400	10,150	18,218	37,538	7,160
Dec. '93	25,000	48,400	10,069	23,779	34,274	8,886
Jan. '94	20,000	38,400	10,153	16,735	35,845	9,713

Note : N.A. indicates Not Available.

Source : 'Stock and offtake Register'.
The F.C.I. Assam Region. Ghy.

High disparities in requirement, allocation and issue of PDS items have hampered the normal supply and price lines of essential commodities in the State. The functioning of PDS ^{has} become an object of criticism resulting in disappointment and resentment amongst the people. The PDS net-work could not be extended to cover the entire population in view of inadequate allocations.

CHAPTER-IV

EVALUATION OF PDS IN THE STUDY REGION:

A. Supply of Items:

Presently the sample GPSSs have only dealt in PDS rice, sugar, kerosene and janta cloth. Regarding the business of other items the GPSSs have not thought over. Wheat products (atta) have been supplied through the flour mills and atta chakki mills. They are entrusted to lift their monthly allotted quota of the wheat from F.C.I. and supply the same to the respective GPSSs. During April '93 to Jan '94 a total of 80,911 quintals of wheat have been lifted by the 40 Chakki Mills and 8 Flour Mills in the sub-division from F.C.I. for disbursement through PDS. But interestingly it has been known from the GPSSs that they have suspended the lifting of atta for PDS due to various reasons. The reasons as ^{stated} explained by the Secretaries is ^{of No atts} the poor quality. But in addition to ^{is} these the competitive open market at reasonable price and quality is another reason for such suspension. ^{Thus,} Therefore the Chakki and Flour Mills have been benefited at the cost of the poor people.

On the basis of the approved per head norms of

allocating PDS rice and sugar, it is calculated that 2189 Qtls. of rice and 1810 Qtls. of sugar is required for every month, as against ^{this} it, the sample GPSSs have been allocated 2001 Qtls of rice and 1820 Qtls. of sugar per month. Table-VIII, exhibits the GPSSs wise allotment of rice and sugar for the month of Jan '94.

TABLE - VIII

GPSS WISE ALLOTMENT OF RICE AND SUGAR FOR JAN. '94
(Figure in Qtls.)

SL. NO.	Name of the GPSS		Qty. of Rice Alloted	Qty. of Sugar Alloted
1.	2.		3.	4.
1.	Halleswar	S.S.Ltd.	121	97
2.	Shamdihara	S.S.Ltd.	113	101
3.	Bahbari	S.S.Ltd.	82	101
4.	Bihaguri	S.S.Ltd.	84	88
5.	Bhairabpad	S.S.Ltd.	184	147
6.	Belsiri	S.S.Ltd.	120	97
7.	Doomdooma	S.S.Ltd.	110	111
8.	Sirajuli	S.S.Ltd.	132	130
9.	Borbhogia Borsola	S.S.Ltd.	117	108
10.	Singri	S.S.Ltd.	148	128
11.	Borgaon	S.S.Ltd.	117	122
12.	Mizibari	S.S.Ltd.	129	106
13.	Naharbari	S.S.Ltd.	101	106
14.	Missamari	S.S.Ltd.	118	93
15.	Panbari	S.S.Ltd.	108	91
16.	Rangapara	S.S.Ltd.	217	194
	TOTAL		2,001	1,820

But the activities of the GPSS in relation to PDS rice and sugar are not upto satisfactory. Most of the societies are financially non-viable and as a result they are not in a position to lift their whole allotted quota at a time. There are some GPSSs like, Bihaguri S.S.Ltd. and Naharbari S.S.Ltd. ^{which} are almost crippled due to financial crisis and the PDS items are directly lifted by the agents instead of GPSSs. With a view to facilitate the GPSS to overcome the situation and to maintain uninterrupted supply of essential commodities for the rural poor, the STATFED have been engaged through Lead and Link Scheme in the PDS net-work. But the study on Lead and Link scheme reveals that the STATFED have not been able to do so.

From the official records of Rangapara GPSS and the interview with the secretary, it has been clearly substantiated that engagement of STATFED in PDS net work has been nothing but an obstacle. As per the system advance amount should be paid to the STATFED by the GPSSs for lifting of PDS items. Though the advance is timely deposited, sometimes STATFED takes 30 to 60 days to deliver ^{the} goods to the GPSSs. For example, Rangapara GPSS had deposited advance money on 14.9.93. and goods were received on 1.11.93. for which reason the society could not lift the PDS items during Oct'93, the festival season. In the same way goods have not ^{been} delivered till 6.1.94. against

deposit made on 25.11.93. As such the STATFED itself is making delays in the supply of PDS goods. So it may be suggested that the STATFED should withdraw itself from the PDS net-work and let the GPSS do ~~at~~ their best.

B. LEAD-LINK SCHEME FOR PDS:

Lead and Link Project for Rural Consumer Distribution is originally sanctioned by the National Co-operative Development Corporation. In this system, STATFED branch will function as Lead societies and GPSS as the Link societies.

The Guidelines for Lead and Link Scheme:

The guidelines for Lead and Link Scheme, ~~are~~ *are enumerated below* as have been outlined by the STATFED *are enumerated below*.

(i) The society will lift PDS items from F.C.I. on allotment from Deputy Commissioners / Sub-divisional officers and hand over the same directly at Link society for distribution to agents ~~against~~ value paid. This is called Lead-Link Scheme or System.

(ii) The STATFED Branch will ensure the direct delivery of quality PDS items to GPSS on lifting the same from F.C.I. in presence of authorised representative of GPSS to avoid the shortage and expenditure.

(iii) The GPSS will arrange for fund for lifting of allotted quantity of PDS items through STATFED.

(iv) The GPSS will pay transport and handling charges of PDS items as per Government approved rates.

(v) The Link Societies will pay full value of the allotted PDS items including transport, handling charges and commission as are entitled to Lead Society by Bank Draft / Cash before ~~the~~ expiry ~~of~~ of fixed date. This may be done in phased manner also.

(vi) The Lead Society will cause delivery at the doorstep of the Link Society on proper weighment in presence of authorised representative of GPSS at F.C.I. godown. (1)

The guidelines have ensured easy and continuous flow of consumer goods into rural areas through the network of STATFED Branches and GPSS. In order to evaluate the performance of Lead and Link Scheme we have studied its function ^{for six months} from July '93 to Dec '93. ^afor ~~for~~ six months ~~period~~. The Physical achievement of the scheme in regard to PDS rice and sugar for the six months period is depicted in Table-IX. From the table it is discernible that the physical achievement is far from satisfactory and is deteriorating. The actual delivery to the GPSS falls short by 14 to 40 percent of actual allotment.

(1) Source: A brief guideline for distribution of PDS items through GPSS in rural areas under Lead-Link Scheme. Managing Director, STATFED, GHY-5.

TABLE - IX
PHYSICAL ACHIVEMENT OF LEAD AND LINK SCHEME.
 (Figure in Quintals)

Month & Year	RICE			SUGAR		
	Allotment	Lifted by STATFED	Delivered to GPSS	Allotment	Lifted by STATFED	Delivered to GPSS
1	2	3	4	5	6	7
July.'93	1,20,235.04 (100)	1,04,826.93 (87)	95,358.64 (79)	49,644.00 (100)	45,519.44 (91)	41,678.66 (83)
Aug.'93	1,33,852.00 (100)	1,19,574.71 (89)	1,15,165.26 (86)	58,038.00 (100)	36,576.89 (63)	37,198.62 (64)
Sept.'93	1,44,651.36 (100)	1,09,981.96 (76)	1,10,446.75 (76)	60,422.00 (100)	53,801.72 (89)	52,051.06 (86)
Oct.'93	1,46,666.00 (100)	89,004.05 (61)	90,391.48 (61)	65,799.00 (100)	49,900.50 (75)	48,063.94 (73)
Nov.'93	1,45,217.00 (100)	1,11,929.96 (77)	99,274.09 (68)	58,206.00 (100)	42,810.57 (73)	43,939.89 (75)
Dec.'93	1,49,444.00 (100)	93,914.30 (63)	90,575.89 (61)	56,118.00 (100)	51,484.86 (91)	48,718.04 (86)
Total :	8,40,065.40 (100)	6,29,231.91 (74)	6,01,212.11 (71)	3,48,227.00 (100)	2,80,093.98 (80)	2,71,650.21 (78)

Note : Figures in the brackets in column number 3 and 4 are the percentage of column number 2 and 6 and 7 are the percentage of 5.

Source : STATFED, Head Office, Bhangagarh, GHY-5.

On the one hand the STATFED has failed to lift the full quota of allotted quantity and on the other the GPSSs on their part have also failed to take the delivery of the full quantity lifted by the former. This has led to inadequate supply of PDS items in rural areas. The principal reason behind the failure of GPSS to take full delivery, as has been disclosed by some secretaries is the weak financial position and very low working capital base. If a credit period of 10 to 15 days is allowed to the GPSS by the STATFED, the ^{later} ~~later~~ will be in a position to fulfill the target. But the STATFED itself is in a tight financial position and is unable to allow credit to the GPSS. As a result the poor beneficiaries of PDS in rural areas have been made the victims of ^{this} ~~these~~ vicious cycle of financial crisis.

REVIEW OF LEAD-LINK SYSTEM IN SONITPUR DISTRICT OF ASSAM

The Lead-Link Project for Rural Consumer Distribution has been in operation in Sonitpur District since September, 1984. This project envisages distribution of consumer articles to the rural consumers through 42 GPSS (29 in Tezpur Sub-division and 13 in Bishwanath Chariali Sub-division) which work as Link Societies affiliated to the STATFED Tezpur Branch which works as Lead Society. The societies are located in 4 Development Blocks in Tezpur Sub-division and 3 Development Blocks in Bishwanath Chariali Sub-division as shown in the chart.

District	Sub-Division	Blocks	No. of GPSS
1	2	3	4
Sonitpur	Tezpur	i. Nadur	5
		ii. Balipara	9
		iii. Gabhara	5
		iv. Dhekiajuli	10
	TOTAL	29	
	Biswanath Chariali Sub-division	i. Chariduar	6
		ii. Behali	4
iii. Biswanath Chariali		3	
TOTAL	13		
GRAND TOTAL			42

The commodities covered by PDS are being delivered by the lead society to all the Link Societies. These items^{are} as follows : (i) Levy Sugar, (ii) Rice, (iii) Salt, (iv) Controlled Cloth, (v) Edible Oil (vi) Exercise Book and (vii) Wheat Products etc. The non-PDS items delivered are (i) Tripti Vanaspati, (ii) Pulses and (iii) Non-Controlled Cloth.

It has been reported by the Secretaries of GPSSs that the Lead Society has not been able to deliver the PDS commodities at the doorstep of Link Societies. Therefore, the PDS rice and sugar are directly lifted by the GPSS themselves from F.C.I. against their monthly allotment. Regarding additional items of PDS, the Scheme has been a total failure in Sonitpur with partial success in other districts as revealed from Table-X.

TABLE - X.
STATEMENT OF PDS (Addl.) ITEMS ISSUED UPTO SEPTEMBER 1992

SL. NO.	DISTRICT	QUANTITY ISSUED			
		Match Box	Candle	Ball Soap	Ex. Book
1	2	3	4	5	6
1.	Barpeta	1,000 pcs	100 pkts	280 pcs	500 Nos.
2.	Cachar	Nil	Nil	Nil	Nil
3.	Darrang	Nil	150	80	760
4.	Dhubri	Nil	Nil	Nil	Nil
5.	Dibrugarh	Nil	2,795	2,385	4,550
6.	Goalpara	Nil	Nil	Nil	Nil
7.	Jorhat	Nil	Nil	Nil	Nil
8.	Kamrup	Nil	Nil	Nil	Nil
9.	Karbialong	Nil	Nil	Nil	Nil
10.	Kokrajhar	Nil	Nil	Nil	Nil
11.	Lakjimpur	Nil	Nil	Nil	Nil
12.	N.C. Hills	1,752	130	Nil	200
13.	Nagaon	Nil	Nil	Nil	Nil
14.	Morigaon	19,200	1,290	1,080	4,700
15.	Sibsagar	Nil	360	1,386	1,200
16.	SONITPUR	Nil	Nil	Nil	Nil
17.	Tinsukia	Nil	900	2,760	4,500
18.	Nalbari	500	540	Nil	Nil

Source : STATFED, Head office, Bhangagarh, Ghy- 5.

Keeping in view the very objectives of the scheme, and recent inclusion of schemes like 'Rice at Rs.2/= per kg.' and 'RPDS' in PDS made it indispensable to the authorities concerned to re-organise the Lead-Link Societies again. As a result, from 1st July '93 ^{all} the GPSS were brought under the purview of STATFED to act as ^a Link Societies.

In practice, the study in Sonitpur District reveals that the STATFED Tezpur Branch has not been able to ^{bring} brought the 13 societies in Bishwanath Chariali Sub-division under Lead and Link Scheme. Moreover, the activities of the Lead Society is not satisfactory in Tezpur Sub-division. The PDS net-work in Tezpur Sub-division is managed through 29 GPSS and 929 retail outlets under these GPSS. The total rice buying population consists ^{of} 10,18,906 ^{persons} out of which adults are 6,22,805 and minors are 3,96,101. The quantity norms of PDS items for ^{an} adult ^{is} 500 grams of rice and 337 grams ^a sugar and for ^{it is} minor ⁽¹⁾ 267 grams of rice and 337 grams ^{per month} of sugar per month. Based on these norms, rice required in Tezpur sub-division for ^{the} adult population is 3114 Qtls. and for ^{the} minor population is 1057 Qtls. Thus a total of 4171 Qtls. of rice and 3433 Qtls. of sugar ^{is} required for distribution in Tezpur sub-division. Table-XI, shows the position of STATFED in relation to PDS rice and sugar in Tezpur Sub-division of Sonitpur District.

Source: ¹"GPSS wise list of Agents with population details"
Deputy Director of Food and Civil Supplies,
Tezpur, Sonitpur, Assam.

TABLE - XI

SHOWING THE DOOR STEP DELIVERY OF PDS ITMES BY STATFED IN TEZPUR SUB-DIVISION.
(Figures in Quintals)

Month & Year	RICE			SUGAR		
	Alloted	Lifted by STATFED	Delivered to GPSS	Alloted	Lifted by STATFED	Delivered to GPSS
1	2	3	4	5	6	7
July.'93	4,146.00 (100)	4,053.00 (97)	2,940.38 (70)	3,448.00 (100)	3,388.53 (98)	3,316.64 (96)
Aug.'93	4,146.00 (100)	4,120.25 (99)	4,955.05 (119)	3,486.00 (100)	684.07 (19)	542.56 (16)
Sept.'93	4,191.00 (100)	2,728.16 (65)	2,515.52 (60)	3,454.00 (100)	2,895.00 (83)	2,384.97 (67)
Oct.'93	4,191.00 (100)	1,176.66 (28)	1,079.29 (25)	3,608.00 (100)	4,449.28 (123)	4,424.83 (122)
Nov.'93	4,191.00 (100)	1,972.36 (47)	1,892.95 (45)	3,454.00 (100)	412.54 (12)	709.48 (20)
Dec.'93	4,189.00 (100)	844.30 (20)	961.40 (23)	3,451.00 (100)	2,083.47 (60)	483.47 (14)
Jan.'94	4,191.00 (100)	962.71 (23)	1,057.70 (25)	3,603.00 (100)	3,119.61 (86)	4,682.81 (129)
Total :	25,054.00 (100)	15,857.44 (63)	15,402.29 (61)	24,504.00 (100)	17,032.50 (69)	16,508.76 (67)

Source : STATFED, Tezpur Branch, Sonitpur, Assam.

Note : Figures in the brackets in column number 3 and 4 are the percentage of column number 2 and 6 and 7 are the percentage of 5.

The table reveals the same poor performance of the district as in the case of the State. The table exhibits that the ~~average~~ percentage of quantity delivered to GPSS to the quantity allotted for the seventh month period is only 52 percent ranging from 23 to 100 percent. In the month of Aug '93 the quantity delivered to the GPSS is more than the quantity allotted for the month. The balance has been brought from the last month. Thus, the very name the 'PDS' has lost its popularity, worthiness and validity from the fact that:

(i) The norm of 500 gms. of rice per month for a human being ~~is seemed to be a~~ ^{is nothing but a} drop of water in a desert.

(ii) Whatever the norm is set for rice, the full quantity according to that norm has never been supplied.

(iii) The irregularity in the regular features of distribution.

(iv) the price of the subsidised PDS items have been nearer to the open market price.

C. EVALUATION OF THE SCHEME OF RS. 2/- PER KG.

With a view to make available rice at Rs. 2/- per kg. to every adult member of the families to be selected from the poorest of the poors 'the scheme of distribution of rice at Rs. 2/- per kg.' has been introduced in the State of Assam from May 1992 through the

present PDS net-work. The purpose of the scheme is to supplement the other measures of uplifting the economic condition of the weaker section of the population of the State both in urban and rural areas. The Tea Garden population and the population covered under I.T.D.P. scheme are being supplied rice at the subsidised rate from concerned agencies and therefore, this population will get excluded from the above scheme.

According to National Samples Survey Organisation (NSSO) the percentage of rural population below poverty line in Assam was estimated at¹ 23.5 percent in 1983-84. This percentage was not accepted by the Government of Assam with ^{the} opinion that the percentage should be raised to a reasonable extent. However, taking 23.5 percent as the base ² 4 lakhs families are identified in the State for the present scheme and it is proposed to ^{be} extended the ~~scheme~~ to 2 lakhs additional families. Out of 4 lakhs families 59,755 families from Urban areas and 3,40,295 families from Rural areas have been selected.

Source:

- No:1. "Scheme for issue of rice at the rate of Rs. 2/- per kg. to the population below poverty line in the state of Assam".
 Directorate of Food and Civil Supplies, Bhangagarh, GHY-5.
- No:2. Scheme of distribution of Govt. subsidised rice to the poorest of the poor @Rs.2/- per kg. STATFED, Head Office, Bhangagarh, GHY-5.

Selection of beneficiaries under the scheme:

The development block is entrusted with the responsibility of selecting the families below poverty line for the scheme. For the purpose of identifying the population below poverty lines, the families having an annual income below Rs. 6,400 is classified as a family below poverty line. Certificates from S.D.C. in respect of agricultural income and from the employer in respect of salary income is the authentic document to identify such families.

After finalisation of the list and getting approved from the respective Deputy Commissioner/ Sub-divisional officer, the families so selected are given identity cards known as Green Card to each head of such family incorporating the number of adults (attaining the age of 12) in the card.

Norms of price and quantity:

Rice should be issued to the families at the rate of 4 kgs per head per month subject to a maximum of 16 kgs per family per month at Rs.2/= per kg.

Procurement and supply:

The STATFED is entrusted to procure the required quantity of rice under the scheme. For the entire State it is estimated that 6400 MT of rice is required per month. Out of which 1839 MT will be available from the existing PDS.

The balance of 4561 of rice is to be procured from outside the State by the STATFED.

The required quantity of rice for the scheme shall ^{be} made available by STATFED to all the GPSS / F.P. Shops. The GPSS / F.P. Shops shall lift the rice as per allotment made by Deputy Commissioner/ Sub-divisional Officer from STATFED branches located in respective areas. The STATFED shall deliver the rice to GPSS / F.P. Shops as per allotment on realisation of value at Rs. 2/- per kg.

Transportation Cost

The transportation cost from the STATFED branches to the GPSS / F.P. shops counter shall be borne by the respective GPSS / F.P. shops. They shall submit the bill for transport cost and profit margin for such distribution as per existing rate under PDS to the respective DC's / SDO's for verification and countersignature. STATFED then reimburses the verified transport costs and profit margins to the F.P.shops / GPSS directly.

Review of 'Rice Rs. 2/-scheme' in Sonitpur District:

Along with the entire State, ⁱⁿ the district of Sonitpur also ^{was introduced.} the scheme of rice at Rs. 2/- per kg. ^{on} 14th May '92 in urban areas ⁽¹⁾ and from June '92 onward in the entire district. The district has 20,835 families eligible for the scheme which is only 5.28 percent of the State total. ⁽²⁾ Out of 20,835 families 11,700 families are from

Tezpur sub-division and 9,135 families are from Biswanath Charali sub-division. The monthly requirement of rice under the scheme in the district is 3334 qtls. which is only 5.3 percent of the State requirement. ^{The monthly requirement for the} ~~for~~ Tezpur sub-division is 1872 qtls. ^{the monthly requirement} ~~and~~ ^{that the} ~~for~~ Biswanath Charali ^{Charali} sub-division is 1462 qtls. ~~per month shows in~~ (Table-XII),

But in practice, the STATFED has not been able to implemented the scheme as per the guidelines. Table-XIII(A) and XIII(B), depicts that STATFED has never been able to lift the allotted quota of rice. According to the officials of the STATFED, due to severe working capital deficiency it is not in a position to implement the scheme properly. They also pointed out that the GPSS are also not interested to lift their allotted quota ~~in~~ every month. The apathy of GPSS towards this end is mainly due to the transportation cost which they will get reimbursed ^{only} after a considerable period of time and ^{also the} low profit margin. In one case (Belsiri S.S.Ltd.), the secretary ^{mentioned about} ~~has~~ pointed out to the unconsumable quality of rice. The present researcher himself visited the godown of GPSS whereby the low quality ^{the was seen} of rice is confirmed.

Source :

1. Minutes of the meeting held in the STATFED Tezpur Branch on 14th May '92 in the chamber of the Branch Manager's regarding distribution of Govt. subsidised rice at Rs. 2/= per kg.
2. "Scheme of distribution of Govt. subsidised rice to the poorest of the poor @ Rs. 2/= per kg." STATFED Head Office, Bhangagarh, GHY-5, date 7th May '1992.

TABLE-XII

SHOWING URBAN AND RURAL FAMILIES OF THE STATE ELIGIBLE
FOR GETTING BENEFIT OF Rs. 2/- PER Kg. RICE AND SUB-DIVISION
WISE MONTHLY REQUIREMENT OF RICE.

Sl. NO.	Name of Sub-Division	No. of Urban Family	No. of Rural Family	TOTAL	Requirement of Rice		
					Urban	Rural	Total
					in Qtls.	in Qtls.	in Qtls.
1	2	3	4	5	6	7	8
1.	Dhubri	2294	10806	13100	367	1729	2096
2.	Hatsingimari	0	10646	10646	0	1703	1703
3.	Bilasipara	129	9466	9595	21	1514	1535
4.	Goalpara	3914	8166	12080	626	1307	1933
5.	Kokrajhar	2812	9408	12220	450	1505	1955
6.	Gossaigaon	707	9953	10660	113	1592	1705
7.	Bongaigaon	746	7854	8600	119	1257	1376
8.	Abhayapuri	957	6053	7010	153	968	1121
9.	Bijni	409	5041	5450	66	807	873
10.	Barpeta	6000	3942	9942	960	631	1590
11.	Bajali	400	4280	4680	64	685	750
12.	Nalbari	4000	11900	15900	640	1904	2544
13.	Guwahati	3909	15945	19854	626	2551	3177
14.	Rangia	400	5540	5940	64	886	950
15.	Prajyotishpur	0	1560	1560	0	250	250
16.	Mongaldoi	980	7815	8795	157	1250	1407
17.	Udalguri	1260	7960	9220	202	1274	1476
18.	TEZPUR	1812	9888	11700	290	1582	1872
19.	B. CHARIALI	307	8828	9135	50	1412	1462
20.	N. Lakhimpur	1512	12818	14330	242	2051	2293

contd.....

1	2	3	4	5	6	7	8
21.	Dhakuakhana	0	4880	4880	0	781	781
22.	Dhemaji	133	5857	5990	22	937	959
23.	Jonai	0	4995	4995	0	799	799
24.	Dibrugarh	1297	8651	9948	208	1384	1592
25.	Tinsukia	1618	7607	9225	259	1217	1476
26.	Margherita	819	2121	2940	131	339	470
27.	Sadiya	0	3035	3035	0	486	486
28.	Sibsagar	3033	8492	11525	485	1359	1844
29.	Charideo	324	7532	7856	52	1205	1257
30.	Jorhat	4000	8070	12070	640	1291	1931
31.	Majuli	0	4915	4915	0	786	786
32.	Golaghat	1862	11338	13200	298	1814	2112
33.	Dhansiri	0	3590	3590	0	574	574
34.	Nagaon	2390	12160	14550	383	1946	2329
35.	Hojai	1793	12777	12770	287	2044	2331
36.	Koliabor	0	3200	3200	0	512	512
37.	Diphu	1075	5750	5750	172	920	1092
38.	Hamran	525	4835	4835	84	774	858
39.	Bokajan	903	4397	5300	144	704	848
40.	Haflong	985	5440	6425	158	870	1028
41.	Maibong	148	3788	3936	24	606	630
42.	Silchar	3579	9039	12618	573	1446	2019
43.	Marigaon	1078	10692	11770	172	1711	1883
44.	Hailakandi	701	9659	10360	112	1545	1657
45.	Karimgang	944	9556	10500	151	1529	1680
TOTAL		59,755	3,40,245	4,00,000	9,565	54,437	64,002

Source : Office of the Director of Food and Civil Supplies, Bhangagarh, Ghy- 5.

TABLE-XIII(A)

SHOWING THE ALLOTMENT AND PROCUREMENT OF RICE AT Rs. 2/- PER Kg.

(Qty. in Qtls.)

Name of the Sub-Division	Month and Year	Alloted by DC/SDO.	Procured by STATFED
1	2	3	4
TEZPUR Sub-Division	May. '92	129.92	129.92
	June '92	129.92	128.32
	July '92	Nil	Nil
	Aug. '92	116.16	113.84
	Sept '92	1281.53	1225.34
	Oct. '92	1588.70	1084.34
	Nov. '92	1605.92	305.33
BISWANATH CHARIALI Sub-Division	June '92	1462.00	1206.00
	July '92	1453.48	251.16
	Aug. '92	Nil	Nil
	Sept '92	2904.97	1138.44
	Oct. '92	1451.77	96.00
	Nov. '92	1415.77	162.88
TEZPUR Sub-Division	March '93	1609.24	472.88
	April '93	1609.24	859.02
	Oct. '93	1609.24	1458.40
	Nov. '93	1609.24	1037.36
	Dec. '93	1609.24	1274.12

Contd.

1	2	3	4
BISWANATH CHARIALI Sub-Division	March '93	1451.77	47.48
	April '93	1451.77	336.44
	May '93	1451.77	578.61
	June '93	1451.77	47.00
	July '93	1451.29	Nil
	Aug. '93	Nil	Nil
	Sept '93	2893.26	566.48
	Oct. '93	1451.67	303.38
	Nov. '93	1451.77	223.32
	Dec. '93	1451.61	625.88

NOTE : The entire quantity procured by STATFED is delivered to the GPSS for distribution to the beneficiaries.

SOURCE : "Monthly statement of Rice at Rs. 2/- per Kg."

STATFED, Tezpur Branch, Sonitpur.

TABLE-XIII(B)

SHOWING THE ALLOTMENT AND PROCUREMENT OF RICE AT Rs. 2/- PER Kg.
FOR RURAL AND URBAN FAMILIES

(Qty. in Qtls.)

Name of the Sub-Division	Year & Month	Alloted by DC/SDO		Procured by STATFED	
		Rural	Urban	Rural	Urban
1	2	3	4	5	6
TEZPUR Sub-Division	May.'92	—	129.92	—	129.92
	June'92	—	—	—	—
	July'92	—	129.92	—	128.32
	Aug.'92	—	116.16	—	113.84
	Sept'92	1151.53	130.00	1151.53	124.26
	Oct.'92	1459.04	129.66	1390.46	127.08
	Nov.'92	1475.92	130.00	1097.08	86.04
	Dec.'92	1479.24	130.00	—	—
BISWANATH CHARIALI Sub-Division	June'92	1412.88	49.12	1156.88	49.12
	July'92	1408.27	45.16	1046.08	45.16
	Aug.'92	1404.29	47.20	446.00	47.20
	Sept'92	1404.29	47.48	350.00	47.48
	Oct.'92	1404.29	47.48	154.24	47.48
	Nov.'92	1404.29	47.48	115.40	47.48
TEZPUR Sub-Division	March'93	1479.24	130.00	545.62	125.04
	April'93	1479.24	130.00	513.70	89.84
BISWANATH CHARIALI Sub-Division	March'93	1404.29	47.48	—	47.48
	April'93	1404.29	47.48	201.16	47.48

TABLE -II(B)

Note : The entire quantity procured by STATFED is delivered to the GPSS/F.P.Shops for distribution to the beneficiaries.

SOURCE : Office of the STATFED, Tezpur.
"Monthly statement of Rice at Rs. 2/- per Kg."

A sample survey ^{was} ~~was~~ conducted on 7 GPSSs to find out the activities of the GPSSs in relation to the scheme of distribution of rice at Rs. 2/= per kg. A total of 2,316 poorest of the poor families were selected under the scheme by these societies. Taking the norm of maximum 16 kg. per month per family, these 2316 families require 370.56 quintals of this rice per month. The official ~~re-~~ records of the 7 GPSSs have shown that a total of 355.14 quintals of rice have been lifted and distributed except 8 quintals by 1 GPSS, ^{which could not be distributed due to} ~~for~~ low quality. But the GPSS could not lift the allotted quantity of rice due to working capital constraints. The reluctance of GPSS to lift the Rs. 2/= ^{rice} per kg. is evident from ~~the~~ Table-XIV.

TABLE-XIV
MONTH WISE LIFTING OF Rs. 2/- PER Kg. RICE BY THE SELECTED GPSS.

Month & Year of Lifting	No. of GPSS Lifting the Rice
May-'92	2
June-'92	4
July-'92	4
Aug.-'92	2
Sept.-'92	5
Oct.-'92	-
Nov.-'92	3
Dec.-'92	2
Jan.-'93	2
Feb.-'93	1
March-'93	1
April-'93	2
May-'93	1
June-'93	3
July-'93	-
Aug.-'93	-
Sept.-'93	-
Oct.-'93	4
Nov.-'93	4
Dec.-'93	1

The apathy of GPSS to lift the rice under the scheme is mainly due to the unnecessary tardy official procedure to ^{of getting} get ^{reimbursed} reimbursed the transportation cost and profit margin which is as per the PDS norms.

The above analysis of distribution of rice [@] Rs. 2/= per kg. has shown that theoretically the scheme is implemented in toto. But in practice, it has been affected by the inefficient distribution channel encompassed ^{by} with inadequate financial arrangements. The whole net-work is mainly affected by the very fact that the STATFED itself is suffering from acute financial crisis, very low or nil working capital on the one hand and on the other high monthly over ^() dues to the State Govt. ranging from Rs. 70 lakhs to Rs. 1 crore. By handing over the grass roots level distribution to the already overburdened and financially non-viable GPSS, the scheme has already lost its popularity, which was loudly profounded by the policy makers.

D. DISTRIBUTION OF KEROSENE OIL (S.K.OIL) UNDER PDS.

Kerosene Oil (S.K.oil) is distributed in the State through the net-work of Public Distribution System (PDS). The agents of the Gaon Panchayat Samabay Samities in rural areas and F.P.Shops in urban areas are entrusted with the responsibility of distribution of S.K.oil to be lifted from the IOC agents for ultimate distribution to the consumers. Besides, there are 3307 nos. of approved

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tailers and 5407 nos. of [✓]Hawkers in the State for distribution of kerosene oil to the floating people having no Family Identity Cards (F.I.Cards). The supply line of kerosene is maintained through the two wings of the IOC. i.e., IOC (ADD) with 254 agents and IOC (MD) with 107 agents.

The requirement of kerosene for the State is estimated at (1) 25,000 MT per month. As against it, the Govt. of India allocates only 20,913 MT per month which is inadequate to meet the requirement of the State. Table-XV, depicts the [✓]district wise allocation of S.K.oil for the month of February, 1993.

Source:

(1). A brief note on the points to be discussed in the State level oil co-ordination meeting for Eastern Sector to be held at Air Port Ashok Hotel, Dum Dum, Calcutta on 31.1.94 at 10.30 A.M.

TABLE- XV

DISTRICT WISE / COMPANY WISE S.K. OIL ALLOTMENT FOR THE MONTH OF
FEBRUARY, 1993. (in MT)

Sl. NO.	DISTRICT	S.K. Oil Distributed by			TOTAL
		IOC(AOD)	IOC(MD)	I.B.P.	
1	2	3	4	5	6
1.	Dhubri	740	275		1015
2.	Kokrajhar	483	190		673
3.	Bomgaigaon	500	250		750
4.	Goalpara	260	325		585
5.	Barpeta	635	520		1155
6.	Nalbari	450	400		850
7.	Kamrup	1600	1097		2697
8.	Darrang	740	379	34	1153
9.	Nagaon	1095	530		1625
10.	Morigaon	300	260		560
11.	Sonitpur	635	580		1215
12.	Jorhat	500	270		770
13.	Golaghat	506	209		715
14.	Dibrugarh	555	360		915
15.	Tinsukia	494	352		846
16.	Sibsagar	770	120		890
17.	Lakhimpur	390	280		670
18.	Dhemaji	250	160		410
19.	Karbialong	401	183		584
20.	N. C. Hills	145	50		195
21.	Cachar	660	460		1120
22.	Hailakandi	260	150		410
23.	Karimgang	540	185		725
	TOTAL	12,909	7,585	34	20,528

Source : Indian Oil Corporation Ltd. (IOC) Marketing Division
 (MD) Noonmati, Ghy- 20, Date- 17.02.93

Distribution of S.K.Oil in Tezpur Sub-division:

The requirements of S.K.oil in Tezpur Sub-division is maintained through 982 Agents of GPSS in rural areas and 123 numbers of F.P. shops in urban areas. Besides, there are 96 nos. of approved Retailers and 255 nos. of Hawkers for distribution of S.K.oil to the floating population having no F.I.Card. This distribution net-work is managed through 14 oil depots [7 from IOC (MD) and 7 from IOC (ADD)]. Table XV shows that out of the total 20,528 MT S.K. oil allocated to the State, the Sonitpur District has a share of 1,215 MT, which is 5.43 percent of the State total. This quantity is ~~indicate~~ to meet the demand of the population of the District. Table-XVI depicts the allotment of S.K.oil to 14 Oil depots of Tezpur Sub-division.

Looking at the acute shortage of electricity and vastness of the population especially, the school and college going children, the existing number of agents for S.K.oil distribution are inadequate. Though the State of Assam is a major Producer of Petroleum products, refining Crude Oil in 3 (three) Refineries namely, Digboi, Noonmati and Bongaigaon, the demands for S.K. oil of the State could not ^{be} met.

Source : 1. Office of the Deputy Director of Supplies. Tezpur, Sonitpur.

TABLE-XVI

STATEMENT SHOWING ALLOCATION OF S.K. OIL IN TEZPUR SUB-DIVISION
FOR THE YEAR 1992-93 AND 1993-94 UPTO FEBRUARY.
(in K.L.)

Year & Month	IOC(MD) (in Volume)	IOC(AOD) (in Volume)	TOTAL (in Volume)
1	2	3	4
April '92	548	506	1054
May '92	548	506	1054
June '92	548	506	1054
July '92	474	592	1066
Aug. '92	474	592	1066
Sept '92	474	592	1066
Oct. '92	474	592	1066
Nov. '92	509	557	1066
Dec. '92	522	543	1065
Jan. '93	516	549	1065
Feb. '93	517	543	1060
March '93	280	787	1067
April '93	432	629	1061
May '93	432	629	1061
June '93	517	544	1061
July '93	491	569	1060
Aug. '93	485	576	1061
Sept. '93	485	576	1061
Oct. '93	488	579	1067
Nov. '93	412	654	1066
Dec. '93	412	654	1066
Jan. '94	390	676	1066
Feb. '94	390	676	1066

Source : Office of the Deputy Director of Supply,
 Tezpur, Sonitpur.

A Profile of Survey on 35 Agents under GPSS:

A study has been conducted over 35 Agents under 16 GPSSs within the Jurisdiction of Dhekiajuli, Gabharu and Balipara Development Block in Tezpur Sub-division of Sonitpur District relating to various aspects of distribution of kerosene oil under PDS net-work.

The Agents under GPSSs are the ultimate distributing agencies in rural areas. They lift their allotted quota of S.K.oil from their nearest S.K.oil distributing agents (Depots) at a cost of Rs. 2.32 per 100 lts. The Retail Price to be paid by the customer, transportation cost and profit margin are fixed by the Deputy Commissioner. The Agents cannot charge more than the price so fixed. Table-XVII shows the retail price to be charged by the Agents for sale of one litre of S.K.oil according to the distance from the Depot to the place of distribution.

TABLE-XVII, UNIT COST, TRANSPORTATION CHARGE, PROFIT MARGIN AND PRICE OF ONE LITRE OF S.K. OIL
(For GPSS Agents/ F.P. Shops)

Distance	Unit Cost (per lts.) in Rs.	Transportation Charge (per lts.)	Profit margin (per lts.)	Price (per lts.) in Rs.
0 to 5 k.m.	2.32	0.05	0.07	2.44
5 to 10 k.m.	2.32	0.06	0.07	2.45
10 to 15 k.m.	2.32	0.07	0.07	2.46
15 to 20 k.m.	2.32	0.08	0.07	2.47
20 to 25 k.m.	2.32	0.09	0.07	2.48
Retailers	2.32	—	0.07	2.39
Hawkers	2.32	0.19	0.07	2.58

Source : Office of the Deputy Commissioner.
Food & Civil Supplies Branch Tezpur, Sonitpur.

In practice, none of the 35 Agents could maintain the price so fixed. This is due to higher transportation cost they have to bear to carry the S.K.oil to their destination. Moreover, the Agents are incurring regular losses in kerosene oil due to volume shortage. The Agents have reported that there has always been volume shortage by 5 to 7 litres per 100 lts. of S.K.oil delivered by the IOC Depots. The fact is that while filling the drums of GPSS Agents at the depots, a foam is created at the top of the drums and taking the advantage of these foams, the delivery man intentionally stop ~~the~~ filling before reaching the required level in the drums. The Agents are, thus, under commercial compulsion to make good this loss from the buyer, ^{by} inflating the rate fixed by the apex body. The authorities of the GPSS placed this issue several times before Deputy Commissioner and Deputy Director of supplies of the district but no remedy has been given so far. So, to overcome these losses the Agents charge higher price for S.K. oil which varies from Rs. 3 to Rs. 3.50 per litre depending upon the distance from the Depot and quantity of S.K.oil so lost.

The allocation of S.K.oil in the sample GPSSs as earmarked by the Inspectors of Civil Supplies of the concerned Block has been shown in Table-XVIII. The Agents maintain 'Lifting Book' to lift S.K.oil from the nearest oil depots. The Agents wise allocation of S.K.oil is more or less same throughout the year. The Agents are required

to lift S.K.oil once a week. But in some cases it was found that the Agents could not lift the allotted quota regularly due to weak financial position and due to non-availability of S.K.oil depots. Out of the 11 (eleven) GPSSs only Rangapara and Missamari S.S.Ltd. could lift the allotted quota of S.K.oil 4 (four) times in a month. There is no systematic methods of distribution and no dates are fixed for this. Moreover, the allocation of S.K.oil is not uniform in relation to families under the Agents. These administrative bottlenecks and distribution irregularities have greatly affected the rural people where the electricity is supplied without any power to lit the bulbs.

In order to get the opinions of the Agents and consumers, ^{persons belonging to both groups were} ~~a cross section~~ interviews ^{have been made}. The Agents reveal that the irregular supply and inadequate allotment are the main reasons behind the poor distribution of S.K.oil. The general consumers opined that all the ^{households} ~~attached families~~ would not require S.K.oil, as a significant ^{number} of houses are electrified and therefore, if the per week norm of 2 lts. of S.K.oil per family ^{is actually} allotted and distributed, ^{to the needy consumers these households then} there is no reason to worry ^{about} for the matter.

TABLE-XVIII

SHOWING THE DISTRIBUTION OF S.K. OIL BY THE AGENTS
OF GPSS TO THE FAMILY UNDER AGENT.

SL. NO.	Name of the Selected GPSS	No. of Agents interviewed Under each GPSS	No. of Population under each Agent	No. of Family under each Agent	S.K. Oil Allotment to each Agent/week (in Lts.)
1	2	3	4	5	6
1	Chamdihara S.S. Ltd.	3	578	105	200
			478	82	150
			577	72	200
2	Bhairappad S.S. Ltd.	3	742	84	200
			1048	111	200
			1021	124	200
3	Bihaguri S.S. Ltd.	3	1635	235	200
			1565	218	200
			1250	150	200
4	Rangapara S.S. Ltd.	3	1715	245	200
			1700	210	200
			1330	190	200
5	Missamari S.S. Ltd.	3	900	125	150
			1150	211	160
			2900	257	220
6	Naharbari S.S. Ltd.	4	1253	185	200
			702	90	125
			630	90	150
			267	42	125

Contd.

1	2	3	4	5	6
7	Borgaon S.S. Ltd.	4	1300	188	175
			1061	162	150
			1000	118	125
			1100	124	125
8	Borbhogia Borsola S.S. Ltd.	3	764	98	100
			1217	217	125
			930	93	100
9	Sirajuli S.S. Ltd.	4	700	90	125
			700	120	125
			1203	116	200
			1188	130	200
10	Doomdooma S.S. Ltd.	2	1614	260	200
			769	69	100
11	Belsiri S.S. Ltd.	3	8244	999	300
			1180	180	150
			967	125	150
	TOTAL	35	44,278	5,846	5,930

Source : Sample survey on Agents under GPSS (Dec. '93 & Jan. '94).
and Records of Agents under GPSS

E. REVAMPING OF PDS IN IDENTIFIED AREAS:

As per the announcement of the Hon'ble Prime Minister, the PDS in some specified areas would be revamped with ^{view} to 100 percent coverage of the population in those areas in respect to supply of essential commodities. Accordingly the State Government has introduced Revamped Public Distribution System (RPDS) during June, 1992 to cover ^{the} following specific areas viz, Drought Prone Area Development Programme (DPAP); Desert Development Programme (DDP); Integrated Tribal Development Programme (ITDP) and certain Designated Hill Areas (DHA). In Assam 69 Blocks are identified for the scheme of which 55 Blocks are in I.T.D.P. areas with a population ^{of} 20,16,902 and 14 Blocks in Hill areas with a population ^{of} 7,07,900. To provide benefit under the scheme 385 new F.P. shops/Retail outlets have been opened making a total of 4117 number of F.P. shops/retail outlets in these identified areas.

The usual norm of providing rice in RPDS areas is 20 kgs. per month per family. Therefore, if each of the families ⁱⁿ RPDS areas is provided foodgrains [@] of 20 kgs, the State requires 10,900 MT of rice per month under RPDS. As against it, the Government of India allocates only 3830 MT of rice per month exclusively for distribution to the families living in identified areas in Assam. However the State Government ^{has} have arranged another 1074 MT of rice from General PDS for the identified areas in the State.

publicised
In reality, the widely published RPDS has been a great failure as shown in the TABLE-XIX

TABLE-XIX
RELEASE OF RPDS RICE BY F. C. I. IN ASSAM
(Figures in MT)

Year & Month	Quantity issued	Percentage of Central Share of 3850 MT
1	2	3
July '92	84	2.18
Aug. '92	902	23.42
Sept '92	19	0.49
Oct. '92	1001	26.00
Nov. '92	999	25.94
Dec. '92	812	21.09
Jan. '93	910	23.63
Feb. '93	1170	30.38
March '93	1327	34.46
April '93	1002	26.02
May '93	2328	60.46
June '93	2794	72.57
July '93	995	25.84
Aug. '93	1172	30.44
Sept. '93	1400	36.36
Oct. '93	1038	26.96
Nov. '93	1816	47.16
Dec. '93	1189	30.88
Jan. '94	2419	62.83

Note : Quantity Issued as given in ^{the table} TABLE is out of Central Share of 3850 MT. of Rice

Source : 'Stock position and issue break-up register'.

F. C. I. Regional Office, Guwahati, Assam

RPDS in Sonitpur District :

In Sonitpur District there are 10 societies under Tribal Sub-Plan (TSP) areas, of which 9^{are} in Tezpur Sub-division and 1(one)^{is} in Bishwanath Chariali Sub-division. As per guidelines, the benefits of RPDS are also extended to the people in TSP areas. Table-XX, exhibits the allotment of RPDS rice in Tezpur Sub-division.

TABLE-XX
ALLOTMENT OF RPDS RICE IN TEZPUR SUB-DIVISION
FOR THE MONTH OF JAN.'94

Sl. No.	Name of the GPSS	Quantity(in Qtls.)
1	2	3
1.	Chanduar S.S. Ltd.	41
2.	Ghoramari "	22
3.	Bahbari "	34
4.	Bihoyuri "	6
5.	Rangajan "	17
6.	Doom Dooma "	21
7.	Sirajuli "	27
8.	Borbhogia Borsola "	16
9.	Borgaon "	36
10.	Naharbari "	26
11.	Rangapara "	31
12.	Aniyapue "	12
13.	TOTAL	289

Source : Office of the Deputy Director Of Supplies.
Tezpur, Sonitpur.

12 societies have been allotted RPDS rice and 9 of them are under T.S.P. areas, 3 societies viz, Rangajan, Rangapara and Bihaguri S.S. Ltd. are not in TSP though they were allotted RPDS rice. These 9 societies have a total population of 3,07,729 out of which 1,86,729 are adults and 1,20,998 are minors in 43,514 ^{Households} families. Taking the norm of rice of 20 kgs. per month per family these 43514 families requires 870 MT of RPDS rice per month.

With a view to evaluate the performance of RPDS, 8 agents under the GPSS of 4 TSP areas have been interviewed. So far only rice have been distributed under the scheme and this too ^{is} far from the satisfaction. Against the norm of 20 Kgs. per month per ^{Household} family, the actual distribution has been only 5.53 Kgs. per month per family as is evidenced from Table XXI.

TABLE-XXI, DISTRIBUTION OF RICE UNDER RPDS IN SAMPLE GPSS.

SL. NO.	Name of the GPSS	No. of Agents interviewed	Families Under each Agents	Total Qty of Rice distributed. (Kg)	Per family availability of Rice (5/4) (in Kg)
1	2	3	4	5	6
1	Sirajuli S.S. Ltd.	2	190	500	2.63
			140	800	5.71
2	Borbhogia Borsola S.S.Ltd.	1	98	500	5.10
3	Borgaon S.S. Ltd.	2	162	750	4.62
			118	450	3.81
4	Naharbari S.S. Ltd.	3	90	700	7.77
			90	750	8.33
			42	700	16.66
5	Average Qty. of Rice per Family (in Kg.)				5.53

Source : "GPSSs Agent's Official Records".

with respect to

The benefit ^{in regard to} the price of RPDS rice and T.S.P. (I.T.D.P.) rice is the same. The price of 1 (one) kg. rice in ^{both the} this cases is Rs.0.50 less than the General PDS rice. The PDS concept is meant for weaker sections of the society. By the introduction of RPDS, this benefit of PDS is further intensified to cover more of the weaker sections e.g. ^{the} Tribal people. The additional subsidy of Rs.0.50 per kg. of rice is the economic benefit made available to the people on the basis of caste. Against the per month requirement of 20 kgs., supply of 5.53kgs. is nothing but a populist policy.

Moreover, the supply is also irregular. The agents cannot take delivery of the allotted quota due to weak financial condition and non-availability of rice. In this situation the people cannot wait for the arrival of PDS / RPDS rice to satisfy their hunger.

F. PDS AND VIEW OF CONSUMERS

A comprehensive study has been conducted on 125 consumers under 40 agents of 16 sample GPSS in relation to various issues of PDS. Study revealed that out of 125 consumers 37 i.e. 29.6 percent consumers do not ask for the PDS allotted rice as they ^{manage it homegrown} ~~have managed~~ from own cultivation or from other sources. These 37 consumers ^{of} consists with 11 teachers (LP, ME and High), 9 ^{other than teachers} ~~other~~ Government employees and 17 ^{from} ~~from~~ cultivators families.

These consumers also reported that their F.I.Cards are generally used by the nearest poor ^{household} to lift the PDS rice. The ^{remaining} rest 88 consumers are the frequent users of PDS items including rice. These families ~~are~~ consisted of big farmers, small farmers, daily wage earners and service holders etc. So far, only PDS rice, sugar and kerosene oil have been available to them. But so far ^{late as the} as regularity in supply is concerned, the situation is very depressing as have been depicted in Table-XXII. Of the three generally supplied commodities, the most irregularly supplied one is rice as 66 percent of the consumers have reported its irregular supply. Next to rice is sugar, 48 percent of the consumers have reported its irregular supply. Regarding kerosene oil, though only 20 percent of the consumers have reported its irregular supply, almost all have revealed that the quantity supplied is ~~the~~ most insufficient.

TABLE : XXII

REGULARITY IN SUPPLY OF PDS COMMODITIES

SL.NO.	Items.		Reporting Consumers.	
1	2	3	4	5
			NO.	P.C.
1.	Rice	R	43	34.4
		I	82	65.6
2.	Sugar	R	77	61.6
		I	48	38.4
3.	Kerosene	R	105	84
		I	20	16
4.	Wheat products	R	Nil	Nil
		I	125	100
5.	Other items	R	Nil	Nil
		I	125	100

Note : R = Regular in Supply.
I = Irregular in Supply.

Regarding other aspects of PDS commodities, there is a need to improve the quality and reduce the price for the poor. Of the total sample population the reported view of 50 percent is that the quality is somehow acceptable, and 30 percent have reported ^{that} the ^{is very low. as} low quality of PDS commodities ~~is exhibits in~~ (Table-XXIII).

TABLE : XXIII

QUALITY OF PDS COMMODITIES

SL.NO.	Quality	Reporting Consumers.	
		3	4
1	2	NO.	P.C.
1.	Good	25	20
2.	Somehow acceptable	63	50
3.	Low	37	30
	Total	125	100

Source : Sample Survey.

6. NECESSITY TO REDEFINE THE PDS BENEFICIARIES :

One important view expressed by a section of the PDS beneficiaries, particularly ^{the} relatively poorer people and some of the secretaries of GPSSs is that the economically sound families (~~creamy layer~~) should not have access to the PDS net-work. Providing ^{is} of commodities under PDS network to these people ^{to the richer classes,} means to provide subsidies, which is actually not the objective of PDS philosophy.

The PDS has been in operation in its present form for the last many years. As the society is changing very fast accompanied by the increase in foodgrains production and increased in the purchasing capacity of the people in certain areas, the time is now ripe for reviewing the system and bringing about certain changes in it in order to provide the benefit of the system to the actually needy and the most deserving ones in a more efficient manner.

Presently, a three member high-powered committee is constituted to evolve a national policy on the PDS to eliminate the "creamy layer" of society from the rationing network to provide PDS items only to certain selected sections like economically weaker section, the people living in hilly and difficult areas etc. This will naturally increase the per capita availability of foodgrains for those people. It has been reported from some quarter

and also been observed during the field visit that the benefits of PDS have not been percolated down to the poor. Therefore, there is ^athe need to re-define the beneficiaries of the PDS and to eliminate affluent sections from the purview of the PDS. But the problem is in the clearcut definition of the beneficiaries. According to the Chairman of the three member committee, the State Governments have failed to suggest a clear-cut policy defining the cut-off line between the poor and the non-poor and looked up to Centre for guidelines on the issue. Some of the State Governments are not in favour ^{of} to excluding the rich families from the PDS net-work. They want the universal character of PDS to be retained. To conform with the constitutional directives to the States so far as economic and social justice is concerned, the heavily subsidised PDS network must be meant for the poor of the society. When we can extend such benefits under I.R.D.P. on economic definition of 'Beneficiary' there is no reason why we cannot extend the same definition for PDS purpose. The simple thing is that there is lack of courage to withdraw the undue privilege given to the economically and politically stronger one. *people.*

CHAPTER-V

PROTECTION OF CONSUMER AND CONSUMER MOVEMENT

The consumer movement is gaining ~~its~~ importance day by day. The increase in unfair trades and resultant introduction of standards in respect of quality, quantity, weight and Package etc. have given rise to the importance ^{of} the movement. These have led to flourish a new idea of consumer protection. By 'Consumer Protection' we mean protecting the rights and interests of the consumers in the matters of availability, quality, quantity, safety and price of goods and services. Protecting the consumers from unfair and deceptive trade practices is becoming highly important in view of growing production and marketing complexities and multiuse products. In market transactions, unfair trade practices are widespread. Consumers in general and rural consumers in particular, are unorganised, dispersed and always at a disadvantage. ^{They, therefore} Some of the ^{are unable to exercise their rights provided conferred on them} consumers are weak ^{as consumers} and ignorant to ^{persue over their} ~~not seekers conferred on them by way of consumer protection~~ protection. Therefore, the consumer needs protection under law against deceit, exploitation and unreasonable profiteering. The small consumers, economically weak and unorganised, can not fight against the monopolistic producers who are trained, knowledgeable and better ^{for making} equipped to counter complaints. Hence, consumer protection through consumer movement is absolutely necessary in order to

prevent the evils in the society and to promote Just, equitable and sustainable economic and social development.

Although the consumer movement is a new phenomenon in India, yet the concept is quite old. Mahatma Gandhi, the father of the nation attached great importance to what he described as the "Poor Consumer" who, according to him, should be the principal beneficiary of the consumer movement. Similarly, Adam Smith, the philosopher of the market forces, also laid much importance to the consumer. To him, 'the consumer is the sole end and purpose of all production and the interest of the producers ought to be attended to only so far as it may be necessary for promoting that of the consumer'. But in India, the consumer movement is gaining momentum only in the late Eighties. The Government has accorded high priority to the programme of consumer protection. It is also taking various steps to promote a responsible and responsive consumer movement in the country.

introducing the introduction of the
Before ~~the passage of~~ Consumer Protection Act, ^{have been enacted}
1986 ~~there have been enacted~~ various legislative measures
in order to protect the consumer against different forms
of exploitation. The Indian Standards Institution Act,
1952; preventive of Food Adulteration Act, 1954; Essential
Commodities Act, 1955; Prevention of Black Marketing and
Maintainance of Supplies of Essential Commodities Act,

1980; Standards of weights and measures Act. 1985 etc. are some of the measures in this regard. But these Acts were mainly preventive in nature. Therefore, the consumers did not have any effective mechanism or institutional arrangement for the speedy redressal of their grievances. The Government of India enacted the Consumer Protection Act, 1986 which is specially designed to protect the consumers' interest and rights. The Act provides extensive means to the consumers to deal with the careless vendors in a simple and in-expensive way.

The Act applies to goods and services marketed by all sectors, viz., private, public and co-operative. The consumers are recognised to have certain basic rights, such as right (i) to safety, (ii) to information, (iii) to be heard (iv) to seek redressal, (v) to consumer education, (vi) to choose and, (vii) to a healthy environment. The Act further envisages the setting up of three-tier quasi-Judicial machinery for speedy and simple redressal of disputes. They are District Consumers Disputes Redressal Forum called District Forum in each district, Consumer Disputes Redressal Commission called State Commission in each State and, National Consumer Disputes Redressal Commission called National Commission at the central level. Each Forum consisting of three members has its own jurisdiction in the matter of settlement of disputes and compensation. The District Forum has Jurisdiction upto Rs. 5

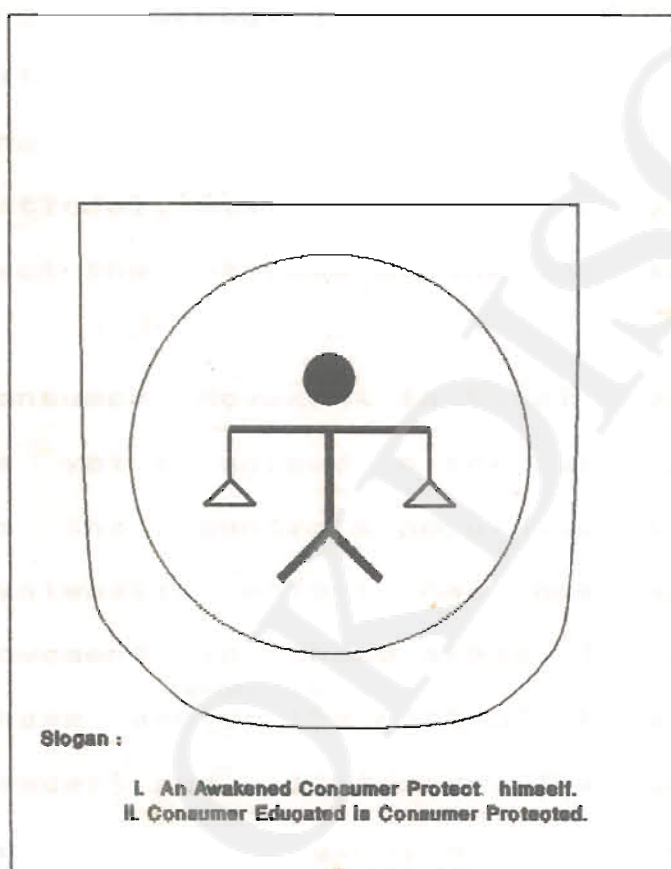
lacs compensation, the State Commission upto Rs. 20 lacs and the National commission beyond Rs. 20 lacs.

A complaint arising as a result of (a) unfair trade practice, (b) defects in goods, (c) deficiency in service, (d) price variation may be lodged on plain paper by the consumer or by any recognised consumer association or by the Central or State Government. Rule 4, sub-rule (9) of C.P. Act 1986 provides that 'the District Forum may, on such terms as it may think fit and at any stage adjourn the hearing of the complaint but not more than one adjournment shall ordinarily be given and the complaint should be decided within 90 days from the date of notice received by the opposite party where the complaint does not require analysis or testing of the goods'. In the event ^{if the necessity of} of any test or analysis ~~is necessary~~, such a complaint, should be decided within 150 days.

Despite the far-reaching provisions, the Act has so far been very poorly implemented due to lack of consumer awareness. To arouse consumer awareness, the Govt. of India Ministry of civil supplies, Consumer Affairs and Public Distribution which is the nodal Ministry in the field of Consumer Protection has taken many steps. During the year 1992, the nodal Ministry had conducted a national competition to select a suitable symbol and few slogans for consumer protection programme. Mentioned underneath a

copy of the symbols~~4~~ and slogans~~5~~ selected for this programme. The Ministry also directed ~~to~~ all the State Commission and District Forum to use the symbol and slogan on the literature printed for the ^upurpose of consumer protection, stationery, signboards of the State Commission and District Forum or for any other purpose relating to consumer protection, so that it becomes synonymous with the consumer movement.

The Indian consumer has to become conscious of its rights if it does not want to be taken for a ride by the traders and manufacturers. There is lack of organisational move, unlike traders and industrialists, to protect their interest. Whatever Governmental measures have been provided, these are not enough to provide full proof consumer protection. The existing Consumer Protection Act is very weak and it covers only a few aspects leaving wide range of goods and services outside its ambit. A glaring example is medical services. Moreover the available legal measures are uneconomic, tardy and can be manipulated. These are not simple and the consumer does not understand the complexity and intricacies of the legal measures. In view of the new economic policies, it is high time to protect their legitimate rights against that exploitation. There is indeed an urgent need to develop "Consumerism" in India.



Incidentally, the word "Consumerism" is used in this country ^a in a very derogatory sense meaning the acquisition of more and more goods by the people which is something undesirable. However, in other parts of the world "Consumerism" means "a movement that promotes the interest of buyers of goods and services. It works to protect consumers from unsafe products, fraudulent advertising, labeling or packaging and business practices that limit competition". Moreover, consumerism includes the activities of the consumer themselves as well as Government action at National, State, District, City and Village level to protect the interest of the consumers.

Consumer Movement in Rural Areas : The consumer movement is yet to spread in the rural areas. Although 70 percent of the country's population lives in the villages, no systematic effort has been made to build up consumer movement in these areas. The most important reasons of these ^{ignorance} are, on the part of the villagers, as well as village leaders and illiteracy. The facts regarding weight and measures, packaging, standard, quality of the content and the pricing and the measures against exploitation are not known to the villagers due to illiteracy and ~~absence of knowledge~~. *ignorance*

The very recent move of the Govt. to Strengthen the Public Distribution System (PDS) is in the right

direction in this regard. Area specific PDS in areas, ^{under the} like Drought Prone Area Development Programme (DPAP), Desert Development Programme (DDP), Integrated Tribal Development Programme (ITDP), and ⁱⁿ certain Designated Hill Areas (DHA) have been introduced so that more and more retail outlets could be setup to serve the people in those areas. The State Govts. and Union Territory Administrations have been requested to open up additional fair price shops, issue ration cards to the people in those areas, deliver the PDS commodities at the door step of fair price shops, and to issue additional commodities of mass consumption to the consumers in those areas. This new system is called as RPDS and it is expected that it will contribute ^{to the reduction} in ^{of the incidence of} reducing poverty level in these areas.

Consumer education and awareness are essential for effective consumer movement. Right information must be passed on to the consumer through simple media in simple language. The mass media including radio and television can play an important role in imparting education to the consumers and making them conscious of their rights and responsibilities. Adult Education Programme, Women Education Programme, National Literacy Mission ^{etc.} can play ^a vital role in ^{this respect} ~~aspect~~. As women are basically ^{directly} related with ^{to the} purchase, use and preparation of mass consumption items, they should be given proper knowledge through some workshops.

Consumers Association also plays a key role in educating the consumers on various aspects of market transactions. It can create consumer awareness, popularise the movement and exert pressure on the Govt. for implementing policy to safeguard the interests of the consumers. It is the primary necessity to spread the consumer movement to the rural and interior region, so that the poor, weak and illiterate consumers could be protected from unethical exploitation.

The existing PDS should be strengthened in the light of the consumer protection measures to benefit the economically vulnerable section of the society. It has been reported that the quality of some of the PDS items like sugar and rice is ^{low} of below standard. In many cases ^{sugar is found to be wet and 13} the colour of the sugar is reddish and wetty. The PDS consumers have also reported that the rice supplied under Rs. 2/= per kg. Scheme is unsuitable for human consumption.

CONSUMER COURTS IN ASSAM:

In Assam the State Government by a notification in November 1989, promulgated the Assam State Consumer Protection Rules, 1989. With the publication of the notification in the Assam Gazette, the Consumer Protection Act (C.P. Act) came into force and 23 consumer's courts in the

district with a State Commission ^{were} are constituted. These rules as such, are statutory rules as different from departmental rules, and are mandatory in nature and have to be followed without fail.

Rule 4, sub-rule (2) of the Assam C.P. Rules provides that the working days and the office hours of the District Forum shall be same as that of the State Government. Sub-rule (4) of the said rule says that sitting of the District Forum, 'as and when necessary' shall be convened by the President of the District Forum. The said rules provide that the District Judge of a particular district shall be the President of the District Forum. But as the Hon'ble Judge has his own office duty it is not possible for him to attend to the District Forum regularly. It is observed that sitting of the District Forum is hardly twice a week. Therefore it cannot be expected to provide justice to the harrassed and victimised customer cum consumer.

The framers of the rules perhaps did not or could not, foresee how the harrassed and desperate consumer would react and how many complaints would be submitted before a particular District Forum. It is true, the provisions of the C.P. Act took time to percolate down to the consumers level and initially the consumers reaction or response was albeit lukewarm.

In the State the consumer^s complaints before the Redressal Agencies are increasing and awareness of the general consumers towards seeking redressal before such Forum is growing. A statement showing the position of Consumer cases since 1990 till date is exhibited in Table No : XXIV

TABLE : XXIV

STATEMENT SHOWING NUMBER OF CONSUMER CASES
REGISTERED AND DISPOSED

<u>Period</u>	<u>State Commission</u>		<u>23 District Forums</u>		<u>Sonitpur District</u>	
	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
<u>1</u>	<u>CR</u>	<u>CD</u>	<u>CR</u>	<u>CD</u>	<u>CR</u>	<u>CD</u>
<u>Upto 31.12.92</u>	<u>165</u>	<u>17</u>	<u>533</u>	<u>140</u>	<u>35</u>	
<u>From 1.1.93</u> <u>To</u> <u>31.12.93</u>	<u>257</u>	<u>34</u>	<u>587</u>	<u>153</u>	<u>36</u>	<u>43</u>

Note : CR indicates Cases Registered and
CD indicates Cases Disposed.

Source : i. "A brief write-up on PDS"
Directorate of Food and Civil Supplies.
Ghy - 5. Bhangagarh.
ii. District Forum, Tezpur, Sonitpur.

It is therefore, apparent that in the absence of full time and fulfleged Commission and Forums, disposal of cases takes long time. The increasing number of complaints and heaps of pending cases made it difficult for the District Forum to dispose of the cases by sitting only twice a week. The implied spirit of the C.P. Act is to ensure cheap and speedy settlement of consumer complaints and thereby speedy redressal of their grievances. It is reported by the affected consumers that the assurance given by the C.P. Act, 1986 through District Forum and State Commission in regard to promptness in disposal of cases could not be achieved.

point of *this regard, the*
 The other concern in the matter is, absence of any establishment and independent staff in these consumer courts. With the number of cases increasing, these courts should have been provided with adequate subsidiary staff, like clerks, stenographers and peons etc. Rule-2, sub-rule (6) of the Assam C.P. Rules provides interalia that the State Govt. shall appoint such staff, as may be necessary to assist such courts in their day to day work and perform such other functions. In the obsence of any establishment and adequate staff of such consumer courts in which consumer complaints have increased by gallops, the work-load of the existing staff in the District Judges' establishment have considerably increased leading to back logs every other day. Allocation of required fund is, therefore,

indispensable for building up a vibrant consumer protection machinery.

Keeping in view the importance of consumer movement and interests of the consumers the State Government has proposed to set up 8 Zonal District Forums in order to assess the performance of the District Forums and also to ensure speedy redressal of consumer complaints. The proposal has been incorporated in the draft of Annual plan 1994-95 of the Food and Civil supplies Department, Assam.

After all, these machineries set up to protect the consumers from exploitation is a social welfare measure of the Government and given the will, the Government can make them more effective for the greater good of the society by making their functioning smooth and ^{free from} ~~without~~ impediments.

CHAPTER-VI.

SUMMARY AND CONCLUSION:

The Primary objectives of the formation of GPSS in Assam were to improve the Socio-economic conditions of its farmer members and others by providing them rural credit, distributing essential commodities and other essential facilities. It includes all possible assistance required to promote rural progress and prosperity. But it has been established that even after 19 years of functioning these objectives couldnot be achieved. The management of the GPSS has become cumbersome and difficult due to political interference and negative approach of the members.

Implementation of the PDS is secondary function of the GPSS so far as the primary objectives are concerned. But all of the GPSSs of the study region have assumed the distribution of commodities under PDS as ^{the} primary function. While implementing the PDS programme a number of problems are being faced by the GPSS. The major problems as have been observed during the field study and disclosed by the concerned officials, consumers and agents are enumerated below.

PROBLEMS OF GPSS IN REGARD TO PDS AS OBSERVED.

1. It is observed that at present the PDS net-work have

been able to meet only 10 to 15 percent foodgrains requirement of an individual and as a result there has been no motivation for the people to draw only a fraction of their requirement.

2. The rural people having no F.I. Card feels that they have no right to get subsidised PDS items. Infact 20 percent of the rural people ^{are} still to be covered by PDS.

3. Due to high prices of PDS rice in comparison to open market ^{prices}, there has been little willingness of the rural people to draw the same. They favour common rice at low price only.

4. It has been reported that no date is fixed for distribution of PDS items by the GPSS or by the agents. As such due to non-information about the time of distribution of PDS items, ~~needer~~ the rural people get deprived from their share.

5. The amount of commodities (quantity) to be distributed is neither according to the norm nor certain. Under this uncertainty, the poor consumers cannot wait for PDS items.

6. It is reported by the rural consumers that during the period of Kharif Seasons (from Dec. to Feb.) they donot require PDS rice and suggested to ^{transfer the amount given in this period to the} add the same in lean period from June to October.

7. Irregular supply and shortage in the total quantity supplied are two important problems. Rice and Sugar are not regularly made available in the godown of the F.C.I. or STATFED.

8. The PDS items are not allotted and supplied according to the per head norms. Again whatever quantity is allotted, it is not supplied fully. It has been observed that the GPSS are getting 60 to 70 percent of their allotted quota. These under-supplied quantity of PDS items creates a difficult position for the GPSS as they cannot ^{meet} ~~met~~ the demand. Sometimes the secretaries and agents are threatened by the consumers for non-supply or late supply of PDS items.

9. The allocations of S.K.oil made by the DC's/SDO's ^{office} ~~is~~ ^{does} not ^{that given before} complied with by the IQC which has resulted in mal-distribution of S.K.oil.

10. The agents of GPSS are incurring regular losses in kerosene oil due to shortage in volume, while filling the drums at the oil depot. These losses amount to 5 to 7 lts. per 100 lts.

11. The societies often find difficulties to lift the PDS commodities as sufficient time is not available to them. Allotment letters are issued allowing only 2 to 3 days time to lift the commodities. The resourceless GPSS finds it difficult to arrange fund for the purpose within such a

short period.

12. As regard the controlled cloth, which is a very popular item in rural areas, The societies never get the required quantity of ^{the} allotted quota.

13. The cross section analyses have revealed that there have been continuous leakage of PDS items from the targeted people either to the creamy layer (elite section) or to the open market. This leakage has ⁶many fold effects. The flow of PDS commodities are diverted away from the target group. The subsidy portion on the leaked quantity of PDS items have been misused and as a result the popularity of the programme have been decreasing.

14. The STATFED insists the GPSS to pay full amount for the allotted quantity even if the full allotted quantity is not supplied and they insist ^{on} to adjusting the balance amount towards the next allotment.

15. The working capital base of the GPSS is very low and the working capital turnover is also very low. The blocking of money in such a way by the STATFED sometimes create a situation of near bankruptcy of the GPSS. This has been noticed in case of 36 GPSSs in the district. ^{Two} The glaring examples are the Bihagury and Naharbari GPSS.

16. Resource constraints compel the societies to take loan from various sources on payment of high interest.

17. Another aspect is the financial condition of the agents. Due to poor financial condition the agents ^{cannot} ~~could~~ ^{generally} not lift their whole allotted quota of PDS items. It has been reported by the agents that they generally ^{resort} to part lifting, which creates inadequate supply of essential commodities.

18. The GPSS and the agents of GPSS are required to take delivery of PDS items from distant places and have therefore to pay heavy transportation charges. As a result consumer prices of the commodities become so high that there remains little difference between open market price and PDS price which make reluctant villagers to purchase the PDS items.

19. The commission earn^{ed} by the GPSS ~~or~~ agents of the GPSS for different commodities ^{is} are very low. This has ^{made} ~~led~~ the GPSS or the agents, ~~to~~ unviable entities for the PDS network which has become a burden on GPSS.

20. There is no certainty of arrivin^g ^{al} of PDS items when there is the actual need. It has been observed that PDS commodities in the flood prone areas are not available even after the flood is over.

21. It has been observed that the PDS commodities meant for the festival season generally arrive ^{only} after ~~one~~ month ^{sometimes even after one month.} the festival is over. This also has made the PDS unpopular.

22. Absence of storage facilities as well as their cash counter to deposit the money by the GPSS in all the Civil District/Sub-divisional Headquarters has caused inconveniences. Some strategic areas of the state are yet to ^{be} covered ^{by} under the storage net-work of F.C.I. which has caused extreme difficulties in ^{the} smooth functioning of PDS in those strategic areas.

23. No staffing pattern for GPSS is laid down by the authority. So the Managing Committee of the GPSS appoint the staff as and when necessary. It is also seen that many societies could not pay salary from the income and therefore they ^{take} ^{to it} ^{funds,} resort the capital for payment of salary.

24. 'Agents' the ultimate distributing agencies to the rural consumers are required to maintain books of account Like Selling Ledger, Stock Register and Lifting Book etc. In many cases it is found that the agents are not keeping proper records and books of account. Though some agents have kept records and books of account, these are clumsy and not found upto standard. So there is the need to standardise the record keeping system. Absence of proper records and lack of enforcing authorities make ample rooms for mal-distribution of PDS items.

25. Consumer movement and consumer awareness in the study area is totally absent. None of the interviewed secretaries, agents and consumers are aware of Consumer Protec-

tion Act.

26. Another problem cited by the secretaries is the alienation of the members. It is reported that the members except the agents and a few elite persons, generally come once in a year to cast their votes in the election of Chairman, Vice Chairman and the executive members.

SUGGESTIONS AND RECOMMENDATIONS:

1. PDS should be geared up to meet at least 75 percent of the foodgrains requirements of a family.
2. No monitoring system has been evolved in the PDS for smooth functioning of the system. There is an urgent need to evolve a sound and effective monitoring system for successful implementation of PDS.
3. The leakages of PDS items from the targeted people to the open market should be stopped by strengthening enforcement measures.
4. It may be suggested to set up vigilance committees to be constituted by the consumers to look after the functioning of PDS. Proper functioning of the vigilance committees would effectively check out malpractices.
5. Biswanath Chariali sub-division of the district is still not having F.C.I. godown. Considering the geographical condition and communication hazards, creation of new

storage facilities by F.C.I. in uncovered areas is imperative for smooth functioning of PDS.

6. The building up of a buffer-stock within the state for uninterrupted supply during the lean months needs serious consideration. The main objective of buffer stock is to even out fluctuations in the supplies and consequent fluctuations in the price of foodgrains and thereby maintaining the normal flow of availability in years of low production as well as in years of bumper harvest.

7. Due attention should be given to educate the people in regard to consumer protection measures and create consumer awareness. This will help in reducing malpractices prevailing upon the system.

8. Co-operative is indispensable not only for the leaders of the Co-operatives and for the spread of co-operative movement but for the general members as well. With the help of co-operative education, it is possible to sustain the spirit of co-operation in the minds of the rural members.

9. The GPSS should deal not only in rationed and controlled commodities but also ⁱⁿ variety of other commodities depending upon local conditions and need of business.

10. The GPSS should open ^{more} branches nearer to the people for giving services more conveniently and speedily.

11. It is important to give high priority to the agricultural operations but at the same time, due importance should also be given to ensure smooth functioning of the PDS. If cultivators have to run after the GPSS to collect whatever share of PDS commodities they get spending 2 to 3 days in a week, it will become impossible for them to devote fully to their agricultural operations.

12. It is necessary to fix the date of distribution and price of the PDS commodities i.e., the cannon of certainty should be applied in the distribution of commodities under PDS.

13. PDS network should not be extended to the economically sound families. In this regard, it is suggested to extend the benefit of PDS only to those families whose annual family income is less than Rs.11,000 which is the poverty line annual family income level accepted by the Ministry of Rural Development for Poverty Alleviation Programmes.

14. The most important problem of GPSS is the resource constraints resulting under capitalisation and often negative working capital. It is ~~earnestly~~ necessary to raise the capital base ~~not~~ through more capital from the members.

15. Another glaring problem is, the alienation of members who should have been the actual functionaries. One of

the ^{most} important and the first reason for this alienation of members is insignificant capital contribution. In 99 per cent cases the members' capital contribution is limited to Rs. 10 and another Rs. 1 for admission fee. This situation must be changed by making the capital contribution more and ~~more~~ from the members which will certainly create a feeling of nativity.

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ABBREVIATIONS

PDS	: Public Distribution System.
RPDS	: Revamped Public Distribution System.
Qtls	: Quintals
No	: Number
MT	: Metric Tonne
F.P.Shops	: Fair Price Shops
Govt.	: Government
mm.	: mililiter
c	: celsius
km	: kilometer
kgs	: kilograms
SC	: Schedule Caste
ST	: Schedule
Rs.	: Rupees
DPAP	: Drought Prone Area Programme
ITDP	: Integrated Tribal Development Programme
DHA	: Designated Hill Area
Qty	: Quantity
lts	: litres
GPSS	: Gaon Panchayat Level Samabay Samities
F.C.I.	: Food Corporation of India
STATFED	: Assam State Marketing and Consumers Federation
T.S.P.	: Tribal Sub-Plan
UT	: Union Territories
LAMPS	: Large Area Multi Purpose Societies
ST	: Short Term.
MT	: Mid Term.

N.R.E.P. : National Rural Employment Programme.
Hect. : Hectares.
P.C. : Percentage.
D.C's : Deputy Commissioners.
SDO's : Sub-Divisional Officers.
Addl : Additional.
Ex : Exercise.
GHY : Guwahati.
Contd : Continued.
IOC : Indian Oil Corporation.
MD : Marketing Division.
AOD : Assam Oil Division.

